

**ECONOMIC  
BENEFITS OF THE  
SUNSET  
INDUSTRIAL AREA  
IN PLACER COUNTY**

April 2007

Placer County, California

# ECONOMIC BENEFITS OF THE SUNSET INDUSTRIAL AREA IN PLACER COUNTY

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PLACER COUNTY, CALIFORNIA

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# **Economic Benefits of the Sunset Industrial Area in Placer County**

## **Funded by:**

**County of Placer  
Office of Economic Development**

## **Produced by:**

**Sacramento Regional Research Institute  
A Joint Venture of SACTO and Sacramento State**

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## Key Findings

- Over 5,000 employees, 16 industry sectors, and 134 establishments are represented in the Sunset Industrial Area (SIA) with Arts, Entertainment & Recreation; Construction; and Wholesale Trade as the largest sectors by employment size.
- Considering SIA's total economic impacts created through the ripple effect, it currently contributes about 9,000 jobs, nearly \$953 million in output, almost \$540 million in total added value, and \$300 million in employee compensation (almost \$34,000 per employee) to Placer County's economy.
- Under 'business-as-usual' development through 2050, SIA could potentially have almost 51,000 jobs, but with the combined direct, indirect, and induced economic impacts it could contribute a total of 118,000 jobs, \$18 billion in output, over \$8 billion in total added value, and \$5 billion in total employee compensation (around \$42,000 per employee) to Placer County.
- SIA under 'smart growth' development could potentially have almost 49,000 jobs in 2050; however, with the combined economic impacts (direct, indirect, and induced benefits), it could contribute around 109,000 total jobs, \$16 billion in output, almost \$8 billion in total added value, and approximately \$4.5 billion in total employee compensation (about \$41,000 per employee) to Placer County.
- Sectors that have strong potential for economic development within SIA are those that currently comprise a large proportion of the area and have strong historical and projected growth trends, such as Arts, Entertainment, & Recreation and Construction.
- Economic development efforts should be focused on industries that can generate new wealth for Placer County and the Sacramento Region, such as Wholesale Trade and possibly Manufacturing after considering SIA's locational advantages for those sectors.
- Sectors such as Professional, Scientific, & Technical Services and Administrative & Support & Waste Management & Remediation Services should be targeted based on their current role as linked and supplier industries for SIA businesses.
- Improvements should be addressed in applicable areas mentioned by survey respondents, such as advertising or signage possibilities for SIA businesses, traffic and other infrastructure concerns, and streamlining the project approval process.
- SIA businesses' satisfaction should be monitored on an ongoing basis and concerns should be addressed as appropriate.
- An SIA marketing campaign touting the area's locational advantages should be developed to increase the potential for business relocations.
- Public involvement in an SIA business association should be encouraged by marketing the association's plans and adequately advertising the first scheduled meeting.
- The current and potential level of impacts created by SIA should be shared to make its importance to Placer County's economy largely recognized and economic development efforts widely supported.

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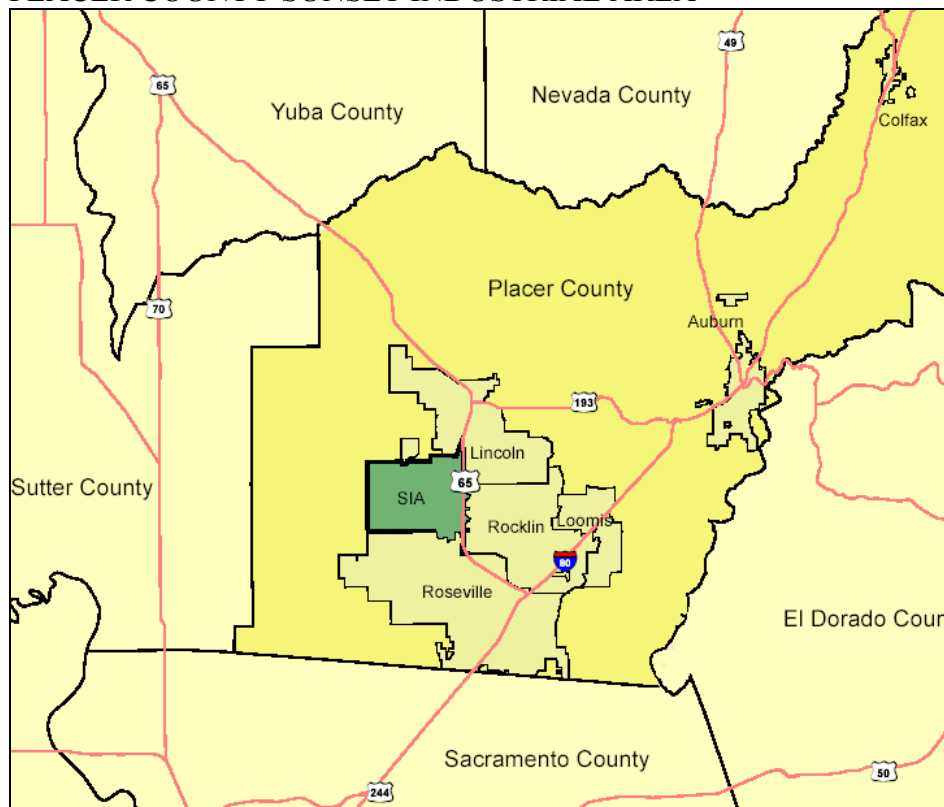
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## Introduction

The Sunset Industrial Area (SIA) is a section of Placer County that is adjacent to the Highway 65 corridor. The area is approximately 8,900 acres and is surrounded by the City of Lincoln to the north, the City of Rocklin to the east and the City of Roseville to the south. Most of the development in SIA is close to Highway 65 in the southeast corner of the area along Industrial and Cincinnati Avenues. Currently, large sections of SIA are undeveloped, but in recent years many major developments occurred, including Thunder Valley Casino. A notable development currently in the planning stage is Placer Ranch, which aims to bring a mixture of industrial, commercial, and residential development within 2,200 acres of SIA. Figure 1 shows SIA's location and its surrounding cities within Placer County.

FIGURE 1  
PLACER COUNTY SUNSET INDUSTRIAL AREA



Sacramento Regional Research Institute, April 2007

In order to obtain a better understanding of the wide range of economic benefits generated in Placer County by the activities taking place in SIA and the area's economic potential, Placer County's Office of Economic Development engaged the Sacramento Regional Research Institute (SRRI) to study SIA's current and future potential economic contributions. SIA includes a Redevelopment Area and a Community Plan, but at the request of the Office of Economic Development, SRRI has focused this study within the boundaries of the SIA Community Plan.

## INTRODUCTION

This report is presented in four main sections. The first section provides an overview of the level of economic activity taking place within SIA and identifies employment and establishment figures for the area's existing industry sectors. County-level trends of the industries represented within SIA are provided to gauge the historical and expected performance of these industries. An analysis of the full range of benefits currently created by the present economic activities within SIA is also included in the first section. Section two provides a long-term outlook of this area with the application of two regional growth scenarios through 2050, from the Sacramento Area Council of Governments' (SACOG) Blueprint Transportation and Land Use Study (Blueprint), to SIA's geographical boundaries. The findings of SRRI's survey of businesses within SIA is provided in the third section and discusses business climate, growth expectations, level of satisfaction with Placer County services, and infrastructure needs. The final section discusses conclusions on the economic benefits of SIA as well as recommended means to enhance the attractiveness of SIA.



## **Economic Contributions of the Sunset Industrial Area**

### **Scope of Businesses within the Sunset Industrial Area**

#### **Methodology**

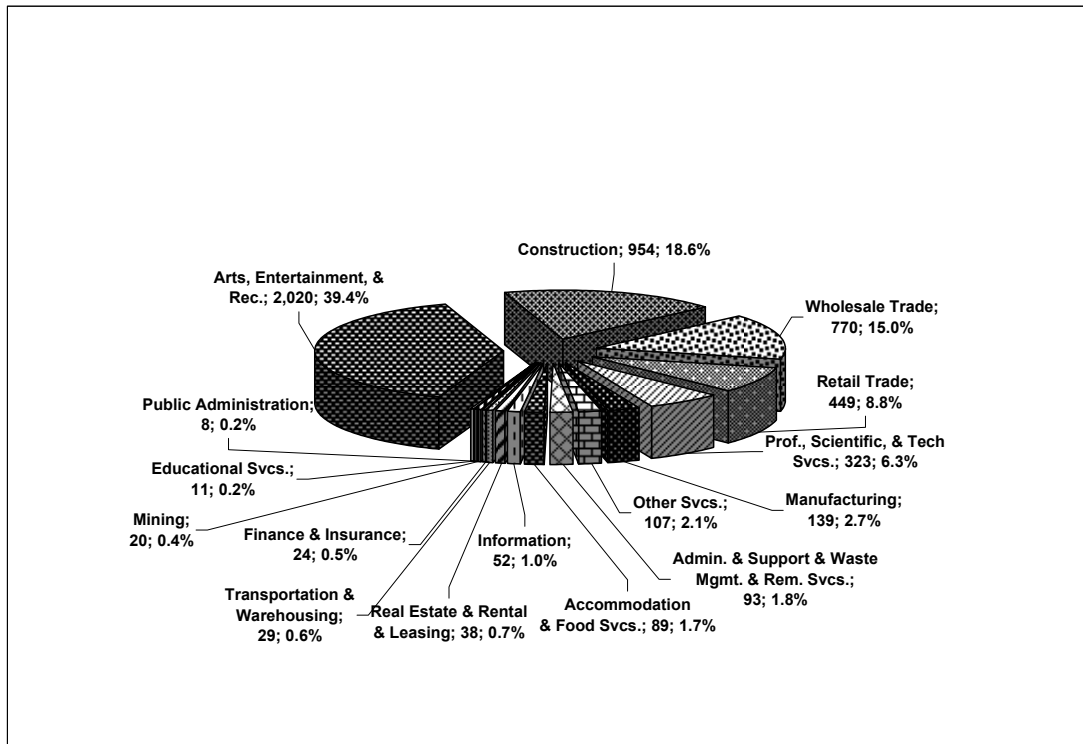
In order to compile an SIA company listing with employment data, SRRI utilized a GIS-based data source, Claritas BusinessPoint, which provides employment by industry within an area's boundaries and is updated on a quarterly basis. SRRI conducted a validation of this list by cross-referencing the companies with the County's Placer Prospector for the Sunset Industrial Area web site, previously-compiled company lists, as well as with other business databases. SRRI made a cursory attempt to validate employment data provided in the Claritas listing with respondents of the survey conducted by SRRI as well as with other sources such as business databases; however, no other company details provided in the Claritas listing were cross-checked. A listing of SIA companies by industry is provided in Appendix A.

In this study, SRRI utilized industry categories and definitions in the North American Industry Classification System (NAICS), which is used by major statistical agencies as the structure for classifying the United States economy and its business establishments. Within this system, economic industries are grouped together based on the similarity of production processes used to create products and services. Definitions of the major NAICS categories are provided in Appendix B. County industry data by NAICS was obtained from the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW). The QCEW program includes employment and wage information for workers covered by State unemployment insurance laws and Federal workers covered by the Unemployment Compensation for Federal Employees program.

## SIA Composition and Share of Placer County

Over 5,000 employees and 16 industry sectors are represented in SIA. Figure 2 shows SIA's current employment composition by industry. The largest sectors include Arts, Entertainment & Recreation; Construction; and Wholesale Trade, respectively employing about 39 percent, 19 percent, and 15 percent of SIA's total employment. Combined, these sectors account for 73 percent of SIA's employment with a total of over 3,700 employees.

FIGURE 2  
CURRENT SIA INDUSTRY EMPLOYMENT COMPOSITION

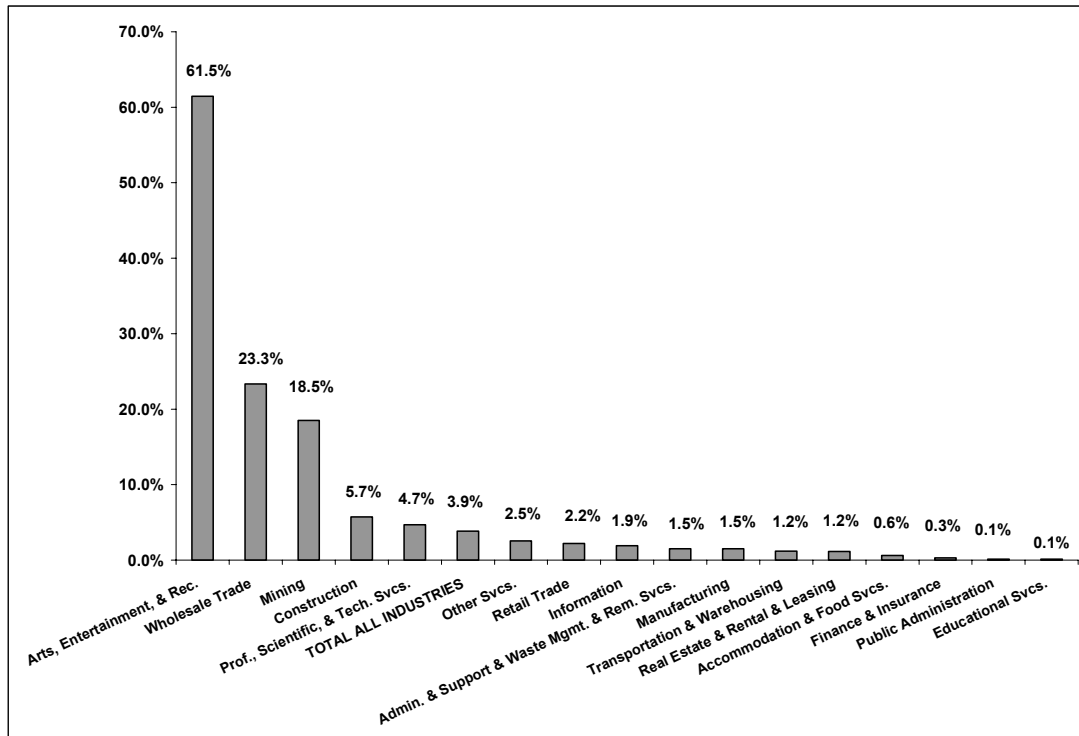


Sacramento Regional Research Institute, April 2007  
Data Source: Claritas BusinessPoint, Claritas Inc.

## ECONOMIC CONTRIBUTIONS

Figure 3 shows the percent share of SIA employment to Placer County employment in the named sector. Total SIA employment accounts for almost 4 percent of Placer County's total employment. The SIA industry with the largest share of Placer County's total sector employment is Arts, Entertainment, & Recreation, with approximately 62 percent of the County's employment in this sector. Wholesale Trade; Mining; and Construction also account for a relatively large share of the County's sector employment, ranging from about 5 percent to 23 percent.

**FIGURE 3**  
SIA CURRENT PERCENT SHARE OF PLACER COUNTY EMPLOYMENT BY INDUSTRY



Sacramento Regional Research Institute, April 2007

Data Sources: Claritas BusinessPoint, Claritas Inc. and U.S. Bureau of Labor Statistics, QCEW 2005 Annual Average Industry Employment

Figure 4 provides SIA and Placer County employment data at a detailed level including share of employment of the SIA major sector and of the total County employment by sector and sub-sector. This analysis provides a better understanding of the types of companies and, subsequently, their products and services within SIA and their contribution to Placer County based on employment level. As previously mentioned, Arts, Recreation, & Entertainment; Construction; and Wholesale Trade comprise the majority of SIA employment. Either all or the majority of the employment within these major sectors are encompassed in Amusement, Gambling, & Recreation Industries (about 2,000 employees); Specialty Trade Contractors (almost 780 employees); and Merchant Wholesalers, Durable Goods (almost 670 employees).

## ECONOMIC CONTRIBUTIONS

Sub-sectors in which SIA holds a relatively high proportion of jobs within Placer County include Amusement, Gambling, & Recreation Industries (66 percent); Chemical Manufacturing (almost 42 percent); and Electrical Equipment, Appliance, & Component Manufacturing (32 percent).

**FIGURE 4**  
**SIA DETAILED INDUSTRY PERCENT SHARE OF EMPLOYMENT**

<i>Industry</i>	<i>SIA Employment</i>	<i>Share of Major Sector</i>	<i>Placer County Employment</i>	<i>SIA Share of County Employment</i>
Mining	20	-	108	18.5%
Support Activities for Mining*	20	100.0%	-	-
Construction	954	-	16,679	5.7%
Construction of Buildings	148	15.5%	4,631	3.2%
Heavy and Civil Engineering Construction	29	3.0%	1,110	2.6%
Specialty Trade Contractors	777	81.4%	10,938	7.1%
Manufacturing	139	-	9,265	1.5%
Paper Manufacturing*	2	1.4%	-	-
Chemical Manufacturing	15	10.8%	36	41.7%
Fabricated Metal Product Manufacturing	18	12.9%	453	4.0%
Machinery Manufacturing	45	32.4%	425	10.6%
Electrical Equipment, Appliance, and Component Manufacturing	8	5.8%	25	32.0%
Furniture and Related Product Manufacturing	3	2.2%	289	1.0%
Miscellaneous Manufacturing	48	34.5%	151	31.8%
Wholesale Trade	770	-	3,298	23.3%
Merchant Wholesalers, Durable Goods	669	86.9%	2,107	31.8%
Merchant Wholesalers, Nondurable Goods	91	11.8%	930	9.8%
Wholesale Electronic Markets and Agents and Brokers	10	1.3%	260	3.8%
Retail Trade	449	-	20,307	2.2%
Furniture and Home Furnishings Stores	25	5.6%	983	2.5%
Electronics and Appliance Stores	25	5.6%	628	4.0%
Building Material and Garden Equipment and Supplies Dealers	274	61.0%	2,033	13.5%
Sporting Goods, Hobby, Book, and Music Stores	21	4.7%	1,298	1.6%
Miscellaneous Store Retailers	62	13.8%	1,039	6.0%
Nonstore Retailers	42	9.4%	180	23.3%
Transportation and Warehousing	29	-	2,425	1.2%
Truck Transportation	1	3.4%	422	0.2%
Transit and Ground Passenger Transportation	20	69.0%	135	14.8%
Support Activities for Transportation	2	6.9%	253	0.8%
Warehousing and Storage	6	20.7%	219	2.7%
Information	52	-	2,726	1.9%
Motion Picture and Sound Recording Industries	8	15.4%	232	3.4%
Telecommunications	44	84.6%	1,197	3.7%
Finance and Insurance	24	-	7,864	0.3%
Credit Intermediation and Related Activities	20	83.3%	4,284	0.5%
Insurance Carriers and Related Activities	4	16.7%	2,849	0.1%

# ECONOMIC CONTRIBUTIONS

**FIGURE 4**  
**SIA DETAILED INDUSTRY PERCENT SHARE OF EMPLOYMENT —**  
**CONTINUED**

<i>Industry</i>	<i>SIA Employment</i>	<i>Share of Major Sector</i>	<i>Placer County Employment</i>	<i>SIA Share of County Employment</i>
Real Estate and Rental and Leasing	38	-	3,283	1.2%
Real Estate	34	89.5%	2,572	1.3%
Rental and Leasing Services*	4	10.5%	-	-
Professional, Scientific, and Technical Services	323	-	6,884	4.7%
Professional, Scientific, and Technical Services	323	100.0%	6,884	4.7%
Administrative and Support and Waste Management and Remediation Services	93	-	6,179	1.5%
Administrative and Support Services	58	62.4%	5,844	1.0%
Waste Management and Remediation Services	35	37.6%	335	10.4%
Educational Services	11	-	9,259	0.1%
Educational Services	11	100.0%	9,259	0.1%
Arts, Entertainment, and Recreation	2,020	-	3,286	61.5%
Amusement, Gambling, and Recreation Industries	2,020	100.0%	3,060	66.0%
Accommodation and Food Services	89	-	14,625	0.6%
Food Services and Drinking Places	89	100.0%	12,533	0.7%
Other Services	107	-	4,202	2.5%
Repair and Maintenance	5	4.7%	1,548	0.3%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	102	95.3%	996	10.2%
Public Administration	8	-	5,876	0.1%
Executive, Legislative, and Other General Government Support	8	100.0%	4,045	0.2%
Total, All SIA-Represented Industries	5,126	-	84,183	6.1%
Total, All Industries	5,126	-	133,102	3.9%

Sacramento Regional Research Institute, April 2007

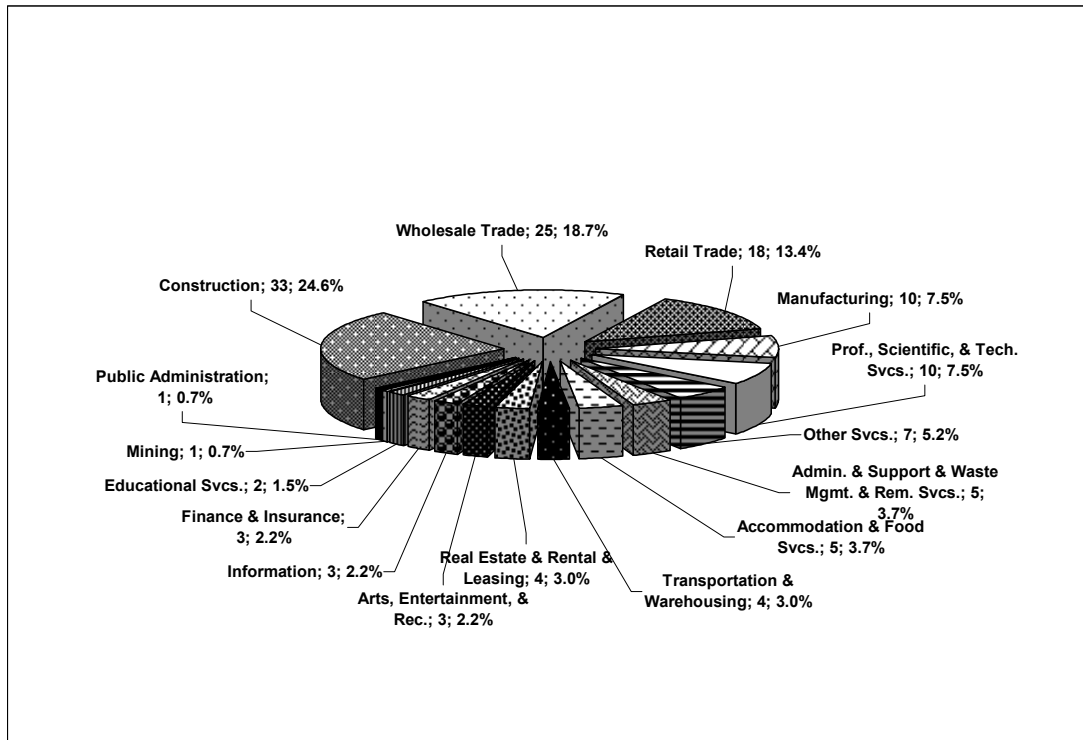
Data Sources: Claritas BusinessPoint, Claritas Inc. and U.S. Bureau of Labor Statistics (BLS), QCEW 2005 Annual Average Industry Employment

\*Employment for these sectors is not provided as the data reported to BLS did not meet the disclosure requirements and were not disclosed due to confidentiality.

## ECONOMIC CONTRIBUTIONS

Figure 5 shows that of the 134 business establishments within SIA, the sectors with the highest proportion of firms include Construction (almost 25 percent with 33 firms); Wholesale Trade (around 19 percent with 25 firms); and Retail Trade (about 13 percent with 18 firms). With nearly 80 firms, these sectors account for almost 60 percent of SIA's total.

FIGURE 5  
CURRENT SIA INDUSTRY ESTABLISHMENT COMPOSITION

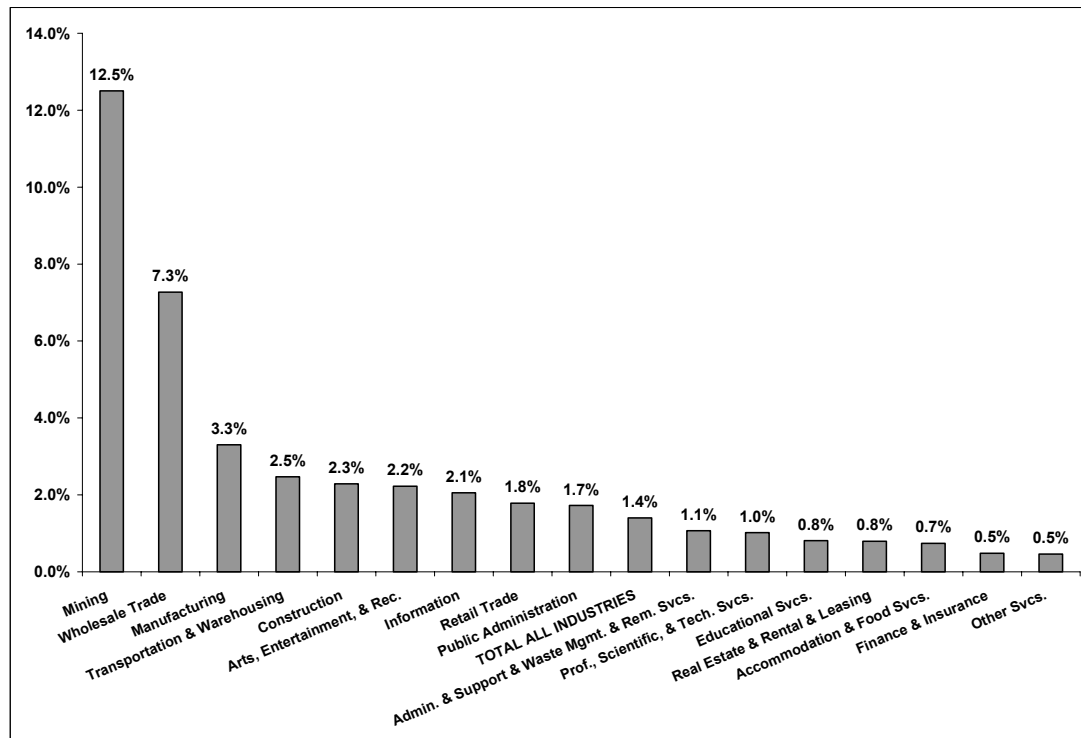


Sacramento Regional Research Institute, April 2007  
Data Source: Claritas BusinessPoint, Claritas Inc.

## ECONOMIC CONTRIBUTIONS

Figure 6 shows the percent share of SIA establishments to Placer County establishments in the specified sector. According to current data, SIA total establishments represent over 1 percent share of all establishments in the County. The SIA industry with the largest share of Placer County's total sector number of establishments is Mining and comprises about 13 percent of the County's total Mining firms. Other sectors that account for a relatively large share of the County's total number of establishments in the respective sector include Wholesale Trade (about 7 percent); Manufacturing (over 3 percent); Transportation & Warehousing (almost 3 percent); and Construction (around 2 percent).

**FIGURE 6**  
SIA CURRENT PERCENT SHARE OF PLACER COUNTY ESTABLISHMENTS  
BY INDUSTRY



Sacramento Regional Research Institute, April 2007

Data Sources: Claritas BusinessPoint, Claritas Inc. and U.S. Bureau of Labor Statistics, QCEW 2005 Annual Average Industry Employment

Figure 7 provides SIA and Placer County establishment totals at a detailed level and includes share of establishments of the SIA major sector and of the County's total establishments by sector and sub-sector. This analysis provides a better understanding of the types and number of companies that were drawn to SIA. The largest sectors based on number of establishments (Construction; Wholesale Trade; and Retail Trade), have the majority of establishments in the following respective sub-sectors: Specialty Trade Contractors (22 firms); Merchant Wholesalers, Durable Goods (19 firms); and Building Material & Garden Equipment & Supplies Dealers (7 firms).

The SIA sub-sectors with the largest share of Placer County businesses in that sub-sector

## ECONOMIC CONTRIBUTIONS

include Chemical Manufacturing (over 30 percent); Waste Management & Remediation Services (over 20 percent); and Electrical Equipment, Appliance & Component Manufacturing (around 13 percent).

**FIGURE 7**  
**SIA DETAILED INDUSTRY PERCENT SHARE OF ESTABLISHMENTS**

<i>NAICS Code</i>	<i>NAICS Description</i>	<i>SIA Establishments</i>	<i>Placer County Establishments</i>	<i>SIA Share of County Establishments</i>
21: Mining		1	8	12.5%
213	Support Activities for Mining*	1	-	-
23: Construction		33	1,441	2.3%
236	Construction of Buildings	9	497	1.8%
237	Heavy and Civil Engineering Construction	2	75	2.7%
238	Specialty Trade Contractors	22	868	2.5%
31-33: Manufacturing		10	303	3.3%
322	Paper Manufacturing*	1	-	-
325	Chemical Manufacturing	1	3	33.3%
332	Fabricated Metal Product Manufacturing	3	44	6.8%
333	Machinery Manufacturing	1	32	3.1%
335	Electrical Equipment, Appliance, and Component Manufacturing	1	8	12.5%
337	Furniture and Related Product Manufacturing	1	26	3.8%
339	Miscellaneous Manufacturing	2	28	7.1%
42: Wholesale Trade		25	344	7.3%
423	Merchant Wholesalers, Durable Goods	19	186	10.2%
424	Merchant Wholesalers, Nondurable Goods	5	77	6.5%
425	Wholesale Electronic Markets and Agents and Brokers	1	81	1.2%
44-45: Retail Trade		18	1,009	1.8%
442	Furniture and Home Furnishings Stores	4	65	6.2%
443	Electronics and Appliance Stores	2	51	3.9%
444	Building Material and Garden Equipment and Supplies Dealers	7	91	7.7%
451	Sporting Goods, Hobby, Book, and Music Stores	1	91	1.1%
453	Miscellaneous Store Retailers	2	154	1.3%
454	Nonstore Retailers	2	27	7.4%
48-49: Transportation and Warehousing		4	162	2.5%
484	Truck Transportation	1	59	1.7%
485	Transit and Ground Passenger Transportation	1	9	11.1%
488	Support Activities for Transportation	1	38	2.6%
493	Warehousing and Storage	1	14	7.1%
51: Information		3	146	2.1%
512	Motion Picture and Sound Recording Industries	1	10	10.0%
517	Telecommunications	2	65	3.1%
52: Finance and Insurance		3	624	0.5%
522	Credit Intermediation and Related Activities	2	283	0.7%
524	Insurance Carriers and Related Activities	1	222	0.5%
53: Real Estate and Rental and Leasing		4	505	0.8%
531	Real Estate	3	429	0.7%
532	Rental and Leasing Services*	1	-	-



# ECONOMIC CONTRIBUTIONS

**FIGURE 7**  
**SIA DETAILED INDUSTRY PERCENT SHARE OF ESTABLISHMENTS—**  
**CONTINUED**

<i>NAICS Code</i>	<i>NAICS Description</i>	<i>SIA Establishments</i>	<i>Placer County Establishments</i>	<i>SIA Share of County Establishments</i>
54:	Professional, Scientific, and Technical Services	10	979	1.0%
541	Professional, Scientific, and Technical Services	10	979	1.0%
56:	Administrative and Support and Waste Management and Remediation	5	467	1.1%
561	Administrative and Support Services	2	454	0.4%
562	Waste Management and Remediation Services	3	13	23.1%
61:	Educational Services	2	247	0.8%
611	Educational Services	2	247	0.8%
71:	Arts, Entertainment, and Recreation	3	135	2.2%
713	Amusement, Gambling, and Recreation Industries	3	101	3.0%
72:	Accommodation and Food Services	5	674	0.7%
722	Food Services and Drinking Places	5	613	0.8%
81:	Other Services	7	1,522	0.5%
811	Repair and Maintenance	2	211	0.9%
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	5	115	4.3%
92:	Public Administration	1	58	1.7%
921	Executive, Legislative, and Other General Government Support	1	14	7.1%
Total, All SIA-Represented Industries		134	6,363	2.1%
Total, All Industries		134	9,578	1.4%

Sacramento Regional Research Institute, April 2007

Data Sources: Claritas BusinessPoint, Claritas Inc. and U.S. Bureau of Labor Statistics, QCEW 2005 Annual Average Industry Employment

\*Establishments for these sectors are not provided as the data reported to BLS did not meet the disclosure requirements and were not disclosed due to confidentiality.

## Trends for Industries Represented in the Sunset Industrial Area

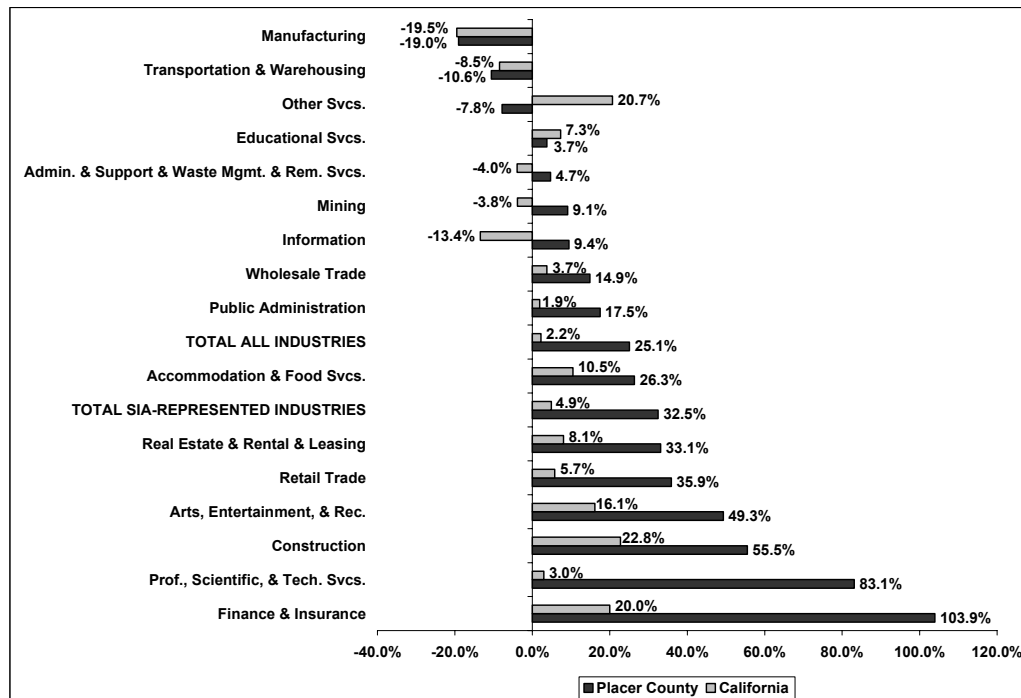
### Methodology

Analyzing employment and establishment trends provides insight into the performance of the existing industries in SIA. California and Placer County data were used to determine the five-year historical and projected employment and five-year historical establishment growth by industry. SRRI used QCEW data for the current and historical analysis. Industry employment growth projections from the California Employment Development Department (EDD), which is based on data from both QCEW and the Current Employment Statistics (CES) program, was applied to both Placer County's and California's 2005 employment data. EDD industry employment projections are only available at the Metropolitan Statistical Area (MSA) level; however, as Placer County is expected to see a growth pattern similar to the Sacramento-Arden Arcade-Roseville, MSA, these projected growth rates serve as a reasonable, albeit a slightly conservative, projection for the County.

### Industry Trends

Figure 8 shows Placer County and California employment growth trends for the industries currently existing in SIA. Total employment of all SIA-represented industries grew almost 33 percent from 2000 to 2005 on a County-wide basis in comparison to just nearly 5 percent in California, while the total of all industry employment increased about 25 percent in Placer County and 2 percent in California.

FIGURE 8  
2000 TO 2005 EMPLOYMENT GROWTH BY INDUSTRIES REPRESENTED IN SIA



Sacramento Regional Research Institute, April 2007  
Data Sources: U.S. Bureau of Labor Statistics, QCEW 2000 and 2005 Annual Averages

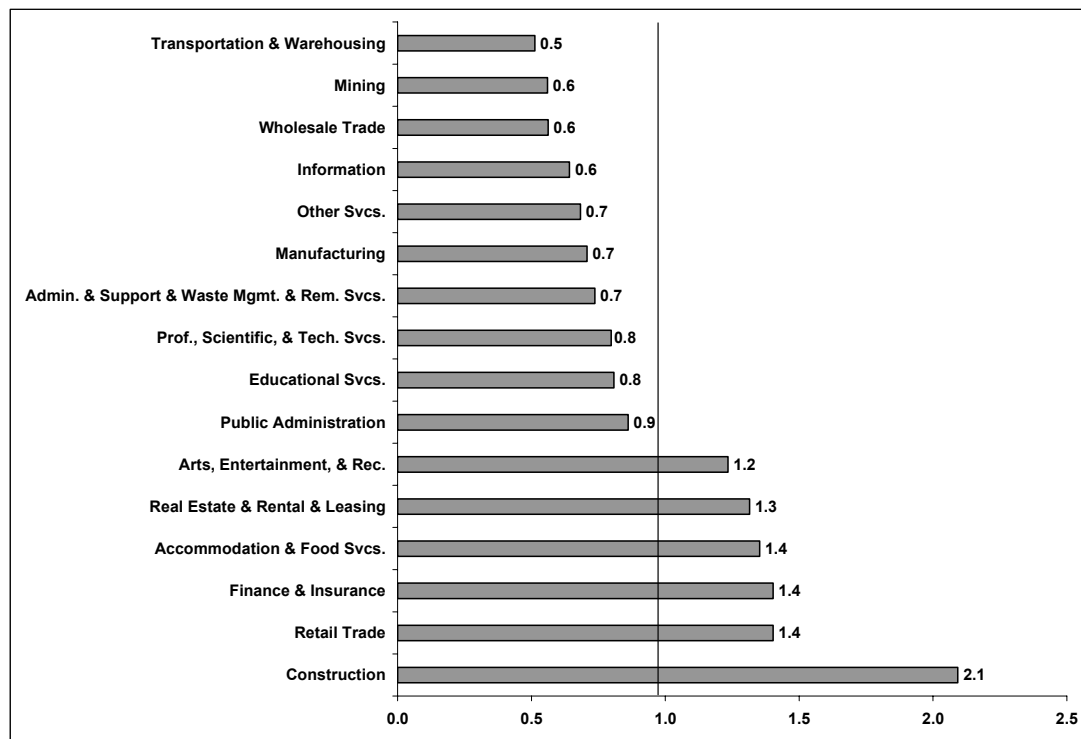
## ECONOMIC CONTRIBUTIONS

Placer County experienced higher growth rates than California for all SIA-represented industries except for Educational Services; Other Services; and Transportation & Warehousing. The industries that had the highest percent growth in Placer County during this time period include Finance & Insurance (almost 104 percent); Professional, Scientific, & Technical Services (over 83 percent); and Construction (almost 56 percent)—all with significantly higher increases than California’s respective growth rates of roughly 20 percent, 3 percent, and 23 percent. Three sectors lost employment in Placer County during this time period: Manufacturing (19 percent); Transportation & Warehousing (almost 11 percent); and Other Services (nearly 8 percent). California also experienced decreases in Manufacturing (almost 20 percent) and Transportation & Warehousing (about 9 percent); however, in contrast to Placer County’s loss in Other Services employment, California’s employment in this sector increased almost 21 percent.

Specialization, as shown in Figure 9, compares the proportion of total employment in Placer County to the statewide average—a measure over 1.0 indicates that the sector is specialized, while a measure under 1.0 shows underspecialization. Specialized industries in a particular area usually point to current or historical locational advantages as well as activities geared toward export. Construction; Retail Trade; Finance & Insurance; Accommodation & Food Services; Real Estate & Rental & Leasing; and Arts, Entertainment, & Recreation all are specialized, showing a greater concentration of employment than the statewide average. Of these specialized sectors, both Arts, Entertainment, & Recreation and Construction within SIA account for a high share of jobs in Placer County in comparison to other sectors within its boundaries (almost 62 percent and 6 percent, relatively).

Four sectors are notably underspecialized in Placer County, including Transportation & Warehousing; Mining; Wholesale Trade; and Information. All of these sectors contain a greater proportion of employment at the statewide level compared to the County. SIA share of Placer County jobs in two of the underspecialized sectors, Wholesale Trade and Mining, relatively accounts to over 23 percent and almost 19 percent—large proportions in comparison to the other sectors in SIA.

FIGURE 9  
2005 PLACER COUNTY SPECIALIZATION OF INDUSTRIES  
REPRESENTED IN SIA



Sacramento Regional Research Institute, April 2007

Data Sources: U.S. Bureau of Labor Statistics, QCEW 2000 and 2005 Annual Averages

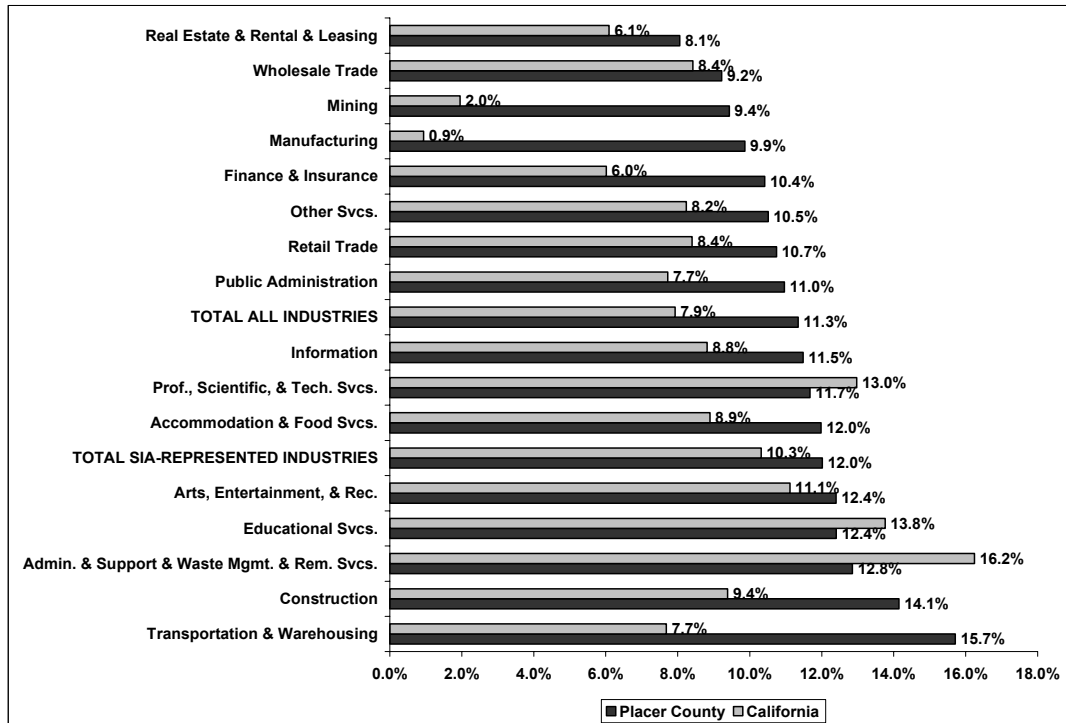
Note: Specialization measures the proportion of total employment in Placer County compared to the statewide average.

As presented in Figure 10, from 2005 to 2010, total employment in all SIA-represented industries is projected to increase 12 percent in Placer County and just over 10 percent in California, slightly higher than projections for all industries in the County and California with respective projected growth rates of about 11 percent and 8 percent. It should be kept in mind that these growth rates are based on Sacramento-Arden Arcade-Roseville MSA data; therefore, while this data presents reasonable projections for Placer County, they may be slightly conservative as Placer County's growth has historically outperformed the MSA. For instance, discussions on developments within SIA and Placer County, which are not included in the projections, could lead to a higher projected growth in the County's Educational Services and Public Administration sectors.

Projected trends indicate that Placer County is expected to see higher growth rates in all current SIA industry sectors than California, with the exception of Administrative & Support & Waste Management & Remediation Services; Educational Services; and Professional, Scientific, & Technical Services. From 2005 to 2010, Placer County is projected to have the highest employment growth in Transportation & Warehousing (almost 16 percent); Construction (around 14 percent); and Administrative & Support & Waste Management & Remediation Services (nearly 13 percent), while California is projected to see a smaller increase in the first two sectors, about 8 percent and 9 percent, respectively, but higher growth in the latter (over 16 percent). There are no decreases in employment projected for either area; however, Placer County is projected to see relatively lower employment growth in Real Estate & Rental & Leasing (around 8 percent); Wholesale Trade (about 9 percent); and Mining (approximately 9 percent). SIA's two largest sectors by employment, Arts, Entertainment, & Recreation and Construction are projected to have some of the highest employment growth, while its third-largest sector, Wholesale Trade, is projected to have relatively lower growth.

## ECONOMIC CONTRIBUTIONS

**FIGURE 10**  
**2005 TO 2010 PROJECTED EMPLOYMENT GROWTH BY INDUSTRIES**  
**REPRESENTED IN SIA**



Sacramento Regional Research Institute, April 2007

Data Sources: U.S. Bureau of Labor Statistics, QCEW; California Employment Development Department (EDD), Industry Employment Projections

Notes: Placer County 2005 to 2010 employment growth based on EDD's Sacramento-Arden Arcade-Roseville, CA MSA projection data which classifies both public universities and Indian gaming casinos under Public Administration in comparison to QCEW's respective classification of these establishments under Educational Services and Arts, Entertainment, & Recreation. Changes over time in these categories, therefore, might be affected by classification differences.

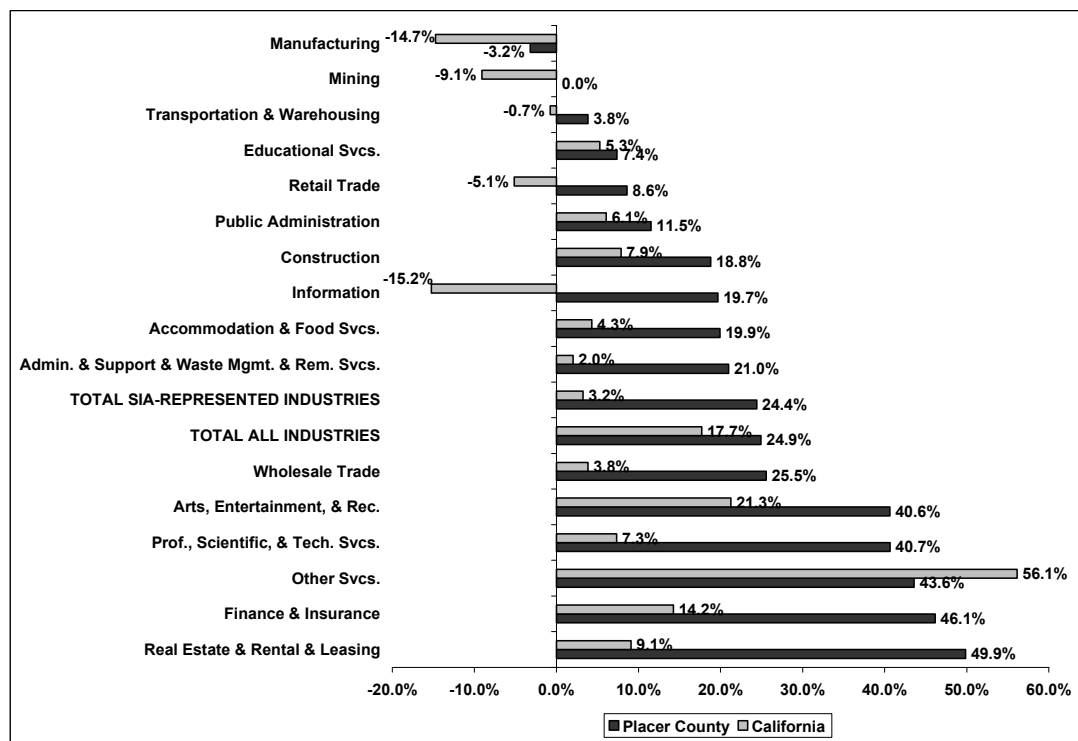
Total Nonfarm employment projected growth rate applied to total industry employment.

## ECONOMIC CONTRIBUTIONS

Overall, as displayed in Figure 11, the number of Placer County business establishments increased at a higher rate than those in California from 2000 to 2005. Total establishments in industries represented in SIA increased about 24 percent in Placer County and around 3 percent in California, while the total establishments for all industries increased almost 25 percent in Placer County and nearly 18 percent in California.

Placer County saw increases in the number of businesses within all SIA-represented sectors except for Manufacturing, which experienced an approximate 3 percent decline in establishments. Manufacturing also decreased at the statewide level, but to an even greater extent with a decrease of 15 percent from 2000 to 2005. Placer County sectors that had the highest percentage increase in the number of establishments include Real Estate & Rental & Leasing (almost 50 percent) and Finance & Insurance (about 46 percent), both significantly higher growth than that of California, which had about 9 percent and 14 percent respective growth rates in these sectors. Other Services establishments experienced the third highest percent growth in Placer County (almost 44 percent), but increased much more at the statewide level (around 56 percent). The majority of SIA's business establishments are within Construction; Wholesale Trade; and Retail Trade—all sectors which had significantly higher growth than California.

**FIGURE 11**  
**2000 TO 2005 ESTABLISHMENT GROWTH BY INDUSTRIES**  
**REPRESENTED IN SIA**



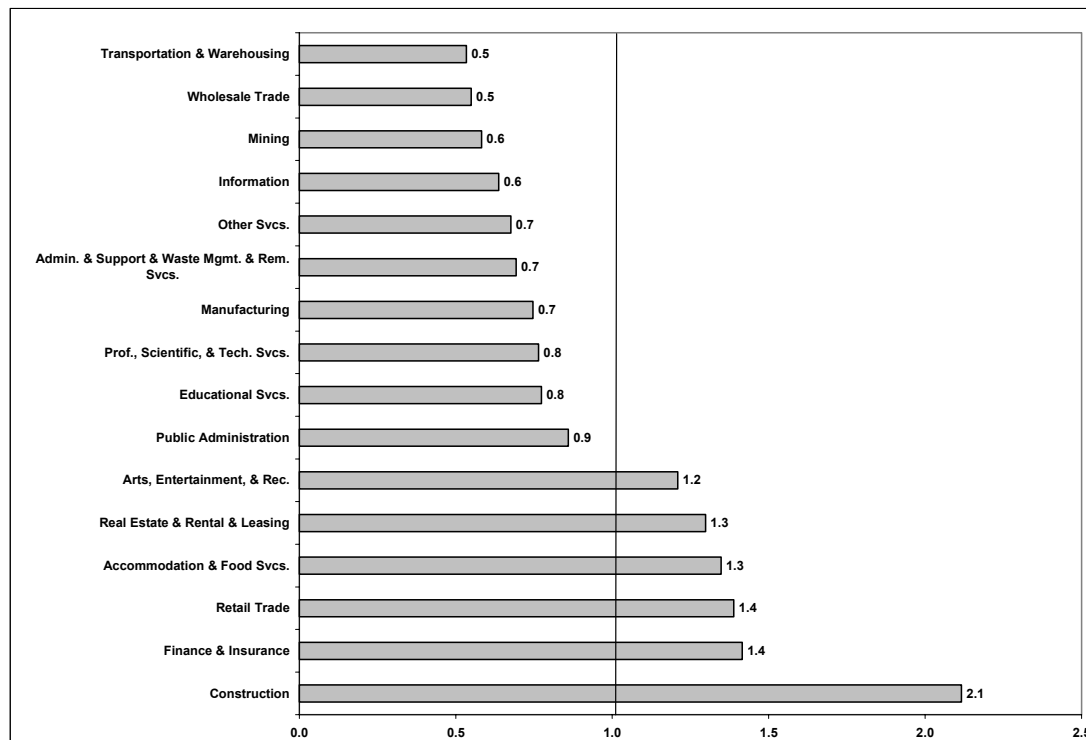
Sacramento Regional Research Institute, April 2007

Data Sources: U.S. Bureau of Labor Statistics, QCEW 2000 and 2005 Annual Averages

## ECONOMIC CONTRIBUTIONS

Figure 12 shows that by 2010, Placer County is projected to be specialized in Construction; Finance & Insurance; Retail Trade; Accommodation & Food Services; Real Estate & Rental & Leasing; and Arts, Entertainment, & Recreation, showing a greater concentration of employment in these sectors than the statewide average. Four sectors are projected to continue to be notably underspecialized in Placer County: Transportation & Warehousing; Wholesale Trade; Mining; and Information. All of these sectors contain a greater proportion of employment at the statewide level compared to the County. This distribution is similar to the County's 2005 industry specialization, but with slightly higher specialization in Finance & Insurance and Manufacturing.

**FIGURE 12**  
**2010 PLACER COUNTY SPECIALIZATION OF INDUSTRIES**  
**REPRESENTED IN SIA**



Sacramento Regional Research Institute, April 2007

Data Sources: U.S. Bureau of Labor Statistics, QCEW; California Employment Development Department (EDD), Industry Employment Projections

Note: Specialization measures the proportion of total employment in Placer County compared to the statewide average. Placer County 2010 specialization based on EDD's Sacramento-Arden Arcade-Roseville, CA MSA projection data which classifies both public universities and Indian gaming casinos under Public Administration in comparison to QCEW's respective classification of these establishments under Educational Services and Arts, Entertainment, & Recreation. Specialization of these categories, therefore, might be affected by classification differences.



## Current Economic Impact of the Sunset Industrial Area

### Methodology

An economic impact analysis provides a comprehensive view of SIA's contribution to Placer County's economy. This type of analysis provides information on the inter-relationships between single firms or industry sectors within SIA and the County.

SRRI calculated the economic impacts in this report using an input-output model called IMPLAN, developed at the University of Minnesota specifically for use in regional analysis and currently distributed and supported by the Minnesota Implan Group. Input-output models, including IMPLAN, evaluate the effects of industries on each other based on the premise that industries use the outputs of other industries as inputs. Specifically, SIA's economic activities directly create employment and purchases of goods and services in Placer County; however, economic benefits directly associated with SIA do not end with these general activities—the ripple effect also creates economic benefits in linked industries throughout the County.

Unlike the economic factors, such as industry trends, mentioned in the previous section of this report, this analysis accounts for the full range of economic impacts of SIA by calculating the direct, indirect, and induced impacts of the jobs and output in Placer County.

- *Direct Benefits* consist of economic activity related exclusively to the located and expanded companies. This includes all expenditures made by the local company and all employees who work directly at businesses within SIA.
- *Indirect Benefits* define the creation of additional economic activity that results from linked businesses, suppliers of goods and services, and provision of operating inputs.
- *Induced Benefits* measure the consumption expenditures of direct and indirect sector employees. Examples of induced benefits include employees' expenditures on items such as retail purchases, housing, medical services, banking, and insurance.

In this analysis, the total direct, indirect, and induced benefits are presented in four ways:

- *Employment* demonstrates the number of jobs generated and is calculated in a full-time equivalent employment value on an annual basis.
- *Output* accounts for total revenues including all sources of income or the value of production generated by an industry for a given time period. This is the best overall measure of business and economic activity because it is the measure most firms use to determine current activity levels.
- *Value Added* reflects the new value created by the industry, net of costs of inputs, and is approximately the wages, profits, and return to capital. Value Added consists of four components—employee compensation, proprietor income, other property income, and indirect business tax.

## ECONOMIC CONTRIBUTIONS

- *Employee Compensation* is a sub-set of Value Added and includes wages, salaries, benefits, and all other employer contributions. This measure shows how the employment levels convert to financial and fiscal potential.

Additionally, the input-output model can be used to quantify the multiplier effect that occurs when new employment or output is added in Placer County via activity in SIA. This numerical value illustrates the effect generated when new employment or output is added in one sector, but creates additional jobs or output in other sectors which supply goods and services (indirect impact) and consumer services to employees (induced impact).

To determine SIA's current economic impacts, SRRI distributed the area's employment data for each NAICS sector (compiled using Claritas, Inc. data and verified with employers) into the corresponding sectors in IMPLAN.

### Total Economic Impacts

As shown in Figure 13, SIA currently contributes about 9,000 jobs and nearly \$953 million in output to Placer County's economy including direct, indirect, and induced benefits. SIA directly produces over 5,000 jobs and over \$500 million in output to Placer County, but due to the indirect and induced benefits, the County gains almost 4,000 more jobs and an additional \$450 million in output. The SIA also provides almost \$540 million in total added value. This reflects the amount of output produced over and above the cost of the inputs and includes direct, indirect, and induced impacts. The County also sees a total benefit of over \$300 million in employee compensation (including benefits) resulting from direct, indirect, and induced impacts—this equates to almost \$34,000 per employee.

FIGURE 13  
CURRENT TOTAL ECONOMIC IMPACTS

<i>Impact</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Employment	5,126	1,596	2,316	9,038
Output	\$503,605,590	\$209,277,433	\$239,885,274	\$952,768,297
Value Added	\$288,499,215	\$106,478,194	\$141,206,975	\$536,184,384
Employee Compensation	\$165,964,046	\$59,786,515	\$79,289,643	\$305,040,204

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on Claritas employment data.

Note: Differences due to rounding.

## Detailed Employment Impacts

Figure 14 shows that SIA generates about 4,000 jobs in Placer County from indirect and induced benefits, in addition to the 5,000 jobs directly in SIA. Sectors with high indirect and induced impacts are those that are reaping the most benefits right now from SIA business activity. In total, the employment multiplier shows that for every job added in SIA, the County gains another 0.8 jobs in indirect and induced sectors.

Due to the economic linkages throughout the County, SIA's total impacts generate about 2,300 jobs in the Arts, Entertainment, & Recreation sector followed by Construction and Retail Trade with almost 1,000 and 950 jobs, respectively. The Professional, Scientific, & Technical Services and Administrative & Support & Waste Management & Remediation Services sectors gain the most indirect employees (almost 280 and 270 respective jobs) as a result of their roles as linked and supplier industries to the types of companies and industries represented in SIA. The Health & Social Services and Retail Trade sectors have high induced benefits (almost 400 jobs each) due to consumer purchases from the direct and indirect employees.

FIGURE 14  
MAJOR SECTOR EMPLOYMENT IMPACTS

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Arts, Entertainment, & Rec.	2,020	156	81	2,258
Construction	954	29	12	994
Retail Trade	449	112	390	951
Wholesale Trade	770	56	48	874
Prof., Scientific, & Tech. Svcs.	323	276	97	695
Admin. & Support & Waste Mgmt. & Rem. Svcs.	93	268	97	457
Accommodation & Food Svcs.	89	64	284	436
Other Svcs.	107	106	204	417
Health & Social Svcs.	0	1	398	399
Manufacturing	139	140	101	380
Public Administration	8	30	264	301
Real Estate & Rental & Leasing	38	92	64	195
Finance & Insurance	24	68	97	188
Transportation & Warehousing	29	75	44	148
Information	52	35	28	115
Educational Svcs.	11	7	69	87
Mgmt. of Companies	0	57	19	77
Agriculture, Forestry, Fishing & Hunting	0	19	12	31
Mining	20	0	0	20
Utilities	0	7	7	14
<b>Total</b>	<b>5,126</b>	<b>1,596</b>	<b>2,316</b>	<b>9,038</b>

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on Claritas employment data.

Note: Differences due to rounding.

## Detailed Output Impacts

As shown in Figure 15, SIA's direct output amounts to over \$500 million, but the County gains an additional \$450 million in indirect and induced benefits for total output of over \$950 million. The output multiplier shows that for every dollar of output that is produced from SIA, Placer County sees an increase of \$0.9 in output from indirect and induced sectors.

With respective totals of \$164 million and \$124 million in output, the Manufacturing and Construction sectors see the largest output benefits resulting from the impacts of SIA economic activity. Manufacturing also has the largest indirect output gains (over \$60 million), followed by Professional, Scientific, & Technical Services with approximately \$29 million in output because of their function as suppliers of goods and services to most industry sectors in SIA. In addition, the largest induced benefits are seen in Manufacturing (almost \$44 million); Health & Social Services (almost \$31 million); and Public Administration (nearly \$29 million), demonstrating the demand for services from these sectors that are generated by spending activity from the direct and indirect sector employees. All of these sectors with high indirect and induced impacts are those that benefit the most from SIA economic activity.

FIGURE 15  
MAJOR SECTOR OUTPUT IMPACTS

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Manufacturing	\$60,062,116	\$60,340,476	\$43,602,244	\$164,004,836
Construction	\$119,386,736	\$3,606,416	\$1,445,947	\$124,439,099
Arts, Entertainment, & Rec.	\$106,332,968	\$8,234,520	\$4,285,099	\$118,852,587
Wholesale Trade	\$104,003,928	\$7,515,576	\$6,536,281	\$118,055,785
Prof., Scientific, & Tech. Svcs.	\$34,552,916	\$29,499,412	\$10,319,667	\$74,371,995
Retail Trade	\$30,477,654	\$7,569,994	\$26,492,426	\$64,540,074
Real Estate & Rental & Leasing	\$7,255,979	\$17,633,218	\$12,301,720	\$37,190,917
Finance & Insurance	\$4,657,264	\$13,126,576	\$18,768,824	\$36,552,664
Public Administration	\$879,033	\$3,239,402	\$28,965,166	\$33,083,601
Health & Social Svcs.	\$0	\$39,580	\$30,985,358	\$31,024,938
Information	\$11,982,297	\$8,162,273	\$6,401,055	\$26,545,625
Other Svcs.	\$6,700,104	\$6,633,700	\$12,769,964	\$26,103,768
Admin. & Support & Waste Mgmt. & Rem. Svcs.	\$4,921,350	\$14,164,196	\$5,112,179	\$24,197,725
Transportation & Warehousing	\$4,259,477	\$11,003,420	\$6,417,839	\$21,680,736
Accommodation & Food Svcs.	\$4,413,388	\$3,168,638	\$14,059,913	\$21,641,939
Mgmt. of Companies	\$0	\$8,751,188	\$2,951,119	\$11,702,307
Utilities	\$0	\$3,434,469	\$3,731,583	\$7,166,052
Agriculture, Forestry, Fishing & Hunting	\$0	\$2,819,379	\$1,730,915	\$4,550,294
Educational Svcs.	\$472,965	\$293,706	\$2,985,911	\$3,752,582
Mining	\$3,247,415	\$41,294	\$22,064	\$3,310,773
Total	\$503,605,590	\$209,277,433	\$239,885,274	\$952,768,297

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on Claritas employment data.

Note: Differences due to rounding.

## Economic Outlook of the Sunset Industrial Area

### Overview of the Sacramento Region Blueprint Study

The Sacramento Area Council of Governments (SACOG) initiated the Sacramento Region Blueprint Transportation and Land Use Study (the Blueprint Study) in 2002 to study future transportation projects and land use patterns and possible effects on the Region's various resources such as its transportation system, housing, air quality, and open space. The two-year study produced a long-range regional vision for how the Sacramento Region could manage a projected population increase from around 2 million to over 3.8 million by 2050 (the approximate date of build-out for many areas in the Region).

The Blueprint Study began by determining what would happen if current local government growth and land-use plans were followed through to 2050. Called the Base Case Study (Base Case Scenario), it found that continuing the 'business as usual' practices of building large-lot, low-density housing would use up another 660 square miles of undeveloped land. Under the Base Case Scenario, residents would have longer commutes, increased air pollution, and a further separation between where they live and where they work than now. In order to explore other growth options, SACOG conducted a series of Blueprint workshops at the neighborhood, city, county, and regional level that included over 5,000 residents, elected officials, business leaders, and environmental interests. These participants helped create an alternative vision for the Region. The resulting scenario, called the Preferred Blueprint Scenario (Preferred Alternative Scenario) and approved by the SACOG Board of Directors in December 2004, integrates the Blueprint Planning Principles of 'smart growth' concepts such as higher-density, mixed-use developments and reinvestment in existing developed areas. SACOG's analysis of the Preferred Alternative Scenario showed that following 'smart growth' principles would shorten future commute times, decrease traffic congestion, reduce dependence on automobiles, and provide for housing choices that better meet the needs of the Region's resident mix.

Since the SACOG Board's approval of the Preferred Alternative Scenario in December 2004, the organization has implemented public outreach and education, technical data sharing with local governments, and funding for development consistent with the Blueprint Planning Principles to promote the study and its findings. Although implementation of the Preferred Alternative Scenario is not mandatory, many cities have adopted the principles of the Blueprint Study in planning projects within their jurisdictions.

### Methodology

SRRI made use of SACOG's Blueprint Study to analyze potential economic development within SIA by utilizing the Study's Placer County parcel-level data for both 2050 scenarios, Base Case Scenario and Preferred Alternative Scenario. Data within SIA

boundaries were extracted for both scenarios using the Geographic Information Systems (GIS) software, ArcView. As SACOG's job data is categorized into four employment types (Retail, Industrial, Office, and Public), it was necessary to allocate each type into NAICS sectors for entry into the corresponding IMPLAN sectors to determine SIA's potential economic impacts under both scenarios. The allocation of these employment types was based on Placer County's ten-year average industry composition and the assumption that SIA will see a similar composition in the future. Additionally, SRRI considered major known company expansions in the area when completing these allocations.

Under the Base Case Scenario, total potential employment within SIA boundaries based on this data could amount to nearly 51,000 employees, while under the Preferred Alternative Scenario there could be approximately 49,000 employees, respectively accounting for almost 14 percent and about 13 percent of the County's total employment in 2050. This reflects a significant increase from current SIA employment. Although total employment under both scenarios is similar, the types of jobs that are anticipated within SIA vary significantly due to the varying growth patterns each scenario possesses. As shown in Figure 16, almost 4,500 employees are categorized under Retail employment under the Base Case Scenario, while just over 1,500 Retail employees are anticipated under the Preferred Alternative Scenario. The Base Case Scenario also has a larger portion of its employment under the Industrial category (almost 30,000); while just over 20,000 employees are categorized in this employment type under the Preferred Alternative Scenario. More jobs in the Office and Public employment types are anticipated in the Preferred Alternative Scenario than in the Base Case Scenario, with the Preferred Alternative potentially containing over 25,000 Office employees and almost 1,600 Public employees in comparison to the Base Case Scenario's respective totals of about 16,000 and 700 employees for these categories. Regardless of their differences, major development is anticipated in SIA through 2050 under both scenarios, with total economic impacts further increasing SIA's future economic benefits to Placer County.

FIGURE 16  
POTENTIAL SIA EMPLOYMENT TOTALS IN 2050

<i>Scenario</i>	<i>Retail</i>	<i>Industrial</i>	<i>Office</i>	<i>Public</i>	<i>Total</i>
Base Case	4,470	29,509	15,797	734	50,510
Preferred Alternative	1,545	20,300	25,106	1,562	48,514

Sacramento Regional Research Institute, April 2007

Data Source: SACOG Base Case and Preferred Alternative scenarios employment figures within SIA.

## Base Case Scenario Economic Impacts

Under the Base Case Scenario, shown in Figure 17, in 2050 SIA could potentially contribute a total of around 118,000 jobs and \$18 billion in output to Placer County including direct, indirect, and induced benefits. SIA could directly bring almost 51,000 jobs and \$9 billion in output directly to the County, but considering indirect and induced benefits, Placer County could see an additional 67,000 jobs and \$9 billion in output. Under this ‘business-as-usual’ scenario and including direct, indirect, and induced impacts, SIA could also contribute over \$8 billion in total value added and \$5 billion in total employee compensation (a total which equates to around \$42,000 per employee).

FIGURE 17

### TOTAL ECONOMIC IMPACTS OF BASE CASE SCENARIO

<i>Impact</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Employment	50,511	30,494	36,915	117,920
Output	\$9,133,305,166	\$4,821,731,348	\$3,824,110,353	\$17,779,146,867
Value Added	\$3,916,659,654	\$2,279,059,089	\$2,251,036,628	\$8,446,755,371
Employee Compensation	\$2,382,499,514	\$1,313,996,691	\$1,263,987,278	\$4,960,483,483

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on SACOG Base Case employment figures within SIA.

Note: Differences due to rounding.



## ECONOMIC OUTLOOK

Figure 18 shows which sectors would benefit the most from continued SIA growth under the ‘business-as-usual’ scenario. Overall, under this scenario, SIA could generate over 67,000 jobs from indirect and induced benefits in addition to the approximate 51,000 direct jobs in the area. The employment multiplier shows that for every job added in SIA, Placer County gains another 1.3 jobs in indirect and induced sectors—higher than SIA’s current multiplier of 0.8 due to varying industry composition.

SIA’s total impacts could generate over 15,000 Manufacturing jobs followed by almost 13,000 Construction jobs due to economic linkages throughout the County. Similar to current impacts, the Professional, Scientific, & Technical Services sector is anticipated to gain the most indirect employees (over 5,000). Manufacturing could have the second-highest total indirect sector gains with over 4,000 jobs—this contrasts with current indirect impacts where Manufacturing plays a smaller, but still important, role as a supplier to direct sectors. Health & Social Services and Retail Trade, under this scenario, have the highest induced benefits, with over 6,000 jobs each, due to consumer purchases from direct and indirect employees.

**FIGURE 18**  
**MAJOR SECTOR EMPLOYMENT IMPACTS OF BASE CASE SCENARIO**

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Manufacturing	9,378	4,251	1,609	15,237
Construction	11,842	491	184	12,517
Prof., Scientific, & Tech. Svcs.	3,211	5,494	1,538	10,243
Retail Trade	2,321	1,486	6,222	10,029
Other Svcs.	3,115	2,224	3,251	8,590
Accommodation & Food Svcs.	1,730	1,316	4,520	7,566
Finance & Insurance	3,743	1,809	1,542	7,094
Health & Social Svcs.	197	5	6,347	6,549
Admin. & Support & Waste Mgmt. & Rem. Svcs.	120	3,860	1,540	5,520
Arts, Entertainment, & Rec.	3,402	649	1,298	5,349
Public Administration	380	737	4,202	5,320
Wholesale Trade	2,857	1,662	771	5,290
Transportation & Warehousing	2,218	1,802	697	4,716
Real Estate & Rental & Leasing	1,978	1,448	1,027	4,453
Mgmt. of Companies	1,794	1,397	309	3,499
Information	1,897	747	443	3,086
Agriculture, Forestry, Fishing & Hunting	190	876	190	1,257
Educational Svcs.	29	80	1,107	1,216
Utilities	6	151	117	274
Mining	103	10	2	115
<b>Total</b>	<b>50,511</b>	<b>30,494</b>	<b>36,915</b>	<b>117,920</b>

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on SACOG Base Case employment figures within SIA.

Note: Differences due to rounding.



## ECONOMIC OUTLOOK

Figure 19 shows that, under the Base Case Scenario, SIA could generate almost \$18 billion in total output by 2050, with nearly half of this output due to indirect and induced benefits. The output multiplier shows that for every dollar of output that is produced from SIA under this scenario, Placer County would see an increase of \$0.9 in output in indirect and induced sectors, similar to SIA's current output multiplier.

Also similar to SIA's current output impacts, the Manufacturing and Construction sectors see the largest total output benefits under the Base Case Scenario, with respective totals of about \$7 billion and \$2 billion in output. The largest indirect output gains are seen in the Manufacturing and Professional, Scientific, & Technical Services sectors with respective indirect output of almost \$2 billion and almost \$600 million, due to their function as suppliers of goods and services to SIA businesses. The Manufacturing sector has the highest induced output gains (almost \$700 million) followed by Health & Social Services with almost \$500 million under this scenario.

**FIGURE 19**  
**MAJOR SECTOR OUTPUT IMPACTS OF BASE CASE SCENARIO**

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Manufacturing	\$4,052,248,576	\$1,836,715,520	\$695,084,160	\$6,584,048,256
Construction	\$1,481,947,264	\$61,448,320	\$23,050,478	\$1,566,446,062
Finance & Insurance	\$726,339,072	\$351,079,680	\$299,199,744	\$1,376,618,496
Prof., Scientific, & Tech. Svcs.	\$343,496,640	\$587,713,728	\$164,510,288	\$1,095,720,656
Real Estate & Rental & Leasing	\$377,692,800	\$276,571,968	\$196,110,720	\$850,375,488
Wholesale Trade	\$385,895,104	\$224,484,352	\$104,197,744	\$714,577,200
Information	\$437,123,424	\$172,016,480	\$102,041,928	\$711,181,832
Transportation & Warehousing	\$325,776,512	\$264,595,840	\$102,309,336	\$692,681,688
Retail Trade	\$157,547,072	\$100,897,696	\$422,325,856	\$680,770,624
Public Administration	\$41,754,048	\$80,997,760	\$461,739,712	\$584,491,520
Other Svcs.	\$195,054,432	\$139,235,776	\$203,570,736	\$537,860,944
Mgmt. of Companies	\$273,291,200	\$212,738,336	\$47,045,036	\$533,074,572
Health & Social Svcs.	\$15,331,368	\$370,587	\$493,954,336	\$509,656,291
Accommodation & Food Svcs.	\$85,788,328	\$65,280,664	\$224,133,072	\$375,202,064
Admin. & Support & Waste Mgmt. & Rem. Svcs.	\$6,350,129	\$204,246,144	\$81,495,480	\$292,091,753
Arts, Entertainment, & Rec.	\$179,081,552	\$34,167,040	\$68,310,192	\$281,558,784
Agriculture, Forestry, Fishing & Hunting	\$27,555,792	\$127,098,944	\$27,593,338	\$182,248,074
Utilities	\$3,060,758	\$77,100,864	\$59,487,384	\$139,649,006
Educational Svcs.	\$1,246,908	\$3,433,690	\$47,599,072	\$52,279,670
Mining	\$16,724,187	\$1,537,959	\$351,741	\$18,613,887
<b>Total</b>	<b>\$9,133,305,166</b>	<b>\$4,821,731,348</b>	<b>\$3,824,110,353</b>	<b>\$17,779,146,867</b>

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on SACOG Base Case employment figures within SIA.

Note: Differences due to rounding.

## Preferred Alternative Scenario Economic Impacts

Under the Preferred Alternative Scenario, in 2050 SIA could potentially contribute a total of almost 109,000 jobs and \$16 billion in output including direct, indirect, and induced benefits. As shown in Figure 20, SIA directly contributes nearly 49,000 jobs and about \$8 billion in output under this scenario, but due to indirect and induced benefits, Placer County gains an additional 60,000 jobs and \$7.5 billion in output. If SIA were to develop as assumed under the ‘smart growth’ scenario, it could also provide almost \$8 billion in total added value (the amount of output produced over and above the cost of inputs and includes direct, indirect, and induced impacts). Additionally, Placer County could see approximately \$4.5 billion in total employee compensation (including benefits), equating to about \$41,000 per employee.

FIGURE 20

### TOTAL ECONOMIC IMPACTS OF PREFERRED ALTERNATIVE SCENARIO

<i>Impact</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Employment	48,513	26,635	33,618	108,766
Output	\$8,245,049,263	\$4,007,022,395	\$3,482,595,693	\$15,734,667,351
Value Added	\$3,935,900,992	\$1,975,711,431	\$2,050,007,211	\$7,961,619,634
Employee Compensation	\$2,213,167,732	\$1,108,839,611	\$1,151,106,715	\$4,473,114,058

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on SACOG Preferred Alternative employment figures within SIA.

Note: Differences due to rounding.

## ECONOMIC OUTLOOK

As shown in Figure 21, SIA directly contributes nearly 49,000 jobs to Placer County under the Preferred Alternative Scenario, but due to indirect and induced benefits, Placer County gains an additional 60,000 jobs for total employment impacts of almost 109,000 jobs in 2050. In total, the employment multiplier shows that for every job added in SIA, Placer County gains another 1.2 jobs in indirect and induced sectors, which is slightly lower than the ‘business-as-usual’ employment multiplier driven by varying industry composition.

Continued growth in SIA under the ‘smart growth’ scenario will greatly benefit the Professional, Scientific, & Technical Services and Manufacturing sectors which could have approximately 12,000 and 11,000 respective jobs due to SIA’s total impacts from economic linkages throughout the County. The Professional, Scientific, & Technical Services and Administrative & Support & Waste Management & Remediation Services sectors gain the most indirect employees under this scenario (around 5,000 and 4,000 respective jobs) as a result of their roles as linked and supplier industries to SIA industries. Similar to SIA’s current economic impacts, the Health & Social Services and Retail Trade sectors have the highest induced benefits (almost 6,000 jobs each) due to consumer purchases from direct and indirect employees.

**FIGURE 21**  
**MAJOR SECTOR EMPLOYMENT IMPACTS OF PREFERRED**  
**ALTERNATIVE SCENARIO**

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Prof., Scientific, & Tech. Svcs.	5,103	5,083	1,401	11,586
Manufacturing	6,119	3,016	1,465	10,600
Other Svcs.	4,951	1,863	2,961	9,775
Finance & Insurance	5,948	2,041	1,404	9,394
Construction	7,726	493	168	8,387
Retail Trade	802	1,103	5,666	7,572
Health & Social Svcs.	419	6	5,780	6,205
Accommodation & Food Svcs.	598	1,220	4,116	5,934
Real Estate & Rental & Leasing	3,144	1,484	935	5,563
Admin. & Support & Waste Mgmt. & Rem. Svcs.	256	3,839	1,403	5,497
Public Administration	808	633	3,827	5,268
Arts, Entertainment, & Rec.	3,139	656	1,182	4,977
Information	3,015	802	403	4,220
Mgmt. of Companies	2,851	1,012	281	4,144
Wholesale Trade	1,864	1,173	703	3,739
Transportation & Warehousing	1,447	1,407	634	3,488
Educational Svcs.	62	74	1,008	1,144
Agriculture, Forestry, Fishing & Hunting	182	598	173	953
Utilities	12	126	106	244
Mining	67	7	2	76
<b>Total</b>	<b>48,513</b>	<b>26,635</b>	<b>33,618</b>	<b>108,766</b>

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on SACOG Preferred Alternative employment figures within SIA.

Note: Differences due to rounding

## ECONOMIC OUTLOOK

Figure 22 shows that, in addition to the approximate \$8 billion in output that SIA could contribute under the Preferred Alternative Scenario, Placer County could benefit from an additional \$7.5 billion in output due to indirect and induced impacts for a total output of almost \$16 billion. The output multiplier shows that for every dollar of output that is produced in SIA under this scenario, Placer County could see an increase of \$0.9 in output in indirect and induced sectors—a total similar to both current and Base Case Scenario output impacts.

Similar to the Base Case Scenario, the Manufacturing sector could see the largest output benefits resulting from SIA activity under the Preferred Alternative Scenario with nearly \$5 billion in output. Varying from SIA's current output impacts and those seen under the Base Case Scenario, the Finance & Insurance sector sees the second-highest total output impacts under the Preferred Alternative Scenario with close to \$2 billion in output. Due to their function as a supplier of goods and services to SIA industries, Manufacturing and Professional, Scientific, & Technical Services have the largest indirect output gains (over \$1 billion and \$500 million in respective output) under this scenario. Similar to the Base Case Scenario and SIA's current impacts, the largest induced output benefits are seen in the Manufacturing and Health & Social Services sectors with respective induced output of over \$600 million and \$400 million.

**FIGURE 22**  
**MAJOR SECTOR OUTPUT IMPACTS OF PREFERRED ALTERNATIVE SCENARIO**

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Manufacturing	\$2,644,029,440	\$1,303,172,352	\$633,008,192	\$4,580,209,984
Finance & Insurance	\$1,154,225,152	\$396,115,584	\$272,480,192	\$1,822,820,928
Prof., Scientific, & Tech. Svcs.	\$545,893,312	\$543,725,632	\$149,818,512	\$1,239,437,456
Real Estate & Rental & Leasing	\$600,336,768	\$283,318,592	\$178,595,392	\$1,062,250,752
Construction	\$966,857,344	\$61,713,920	\$20,991,994	\$1,049,563,258
Information	\$694,742,784	\$184,834,880	\$92,928,960	\$972,506,624
Mgmt. of Companies	\$434,310,592	\$154,196,672	\$42,843,596	\$631,350,860
Other Svcs.	\$310,020,704	\$116,649,280	\$185,390,864	\$612,060,848
Public Administration	\$88,782,288	\$69,593,408	\$420,506,144	\$578,881,840
Retail Trade	\$54,438,928	\$74,899,864	\$384,610,208	\$513,949,000
Transportation & Warehousing	\$212,533,184	\$206,586,272	\$93,172,560	\$512,292,016
Wholesale Trade	\$251,770,560	\$158,369,280	\$94,892,264	\$505,032,104
Health & Social Svcs.	\$32,608,342	\$477,560	\$449,839,808	\$482,925,710
Accommodation & Food Svcs.	\$29,654,002	\$60,483,320	\$204,117,456	\$294,254,778
Admin. & Support & Waste Mgmt. & Rem. Svcs.	\$13,546,941	\$203,137,536	\$74,217,424	\$290,901,901
Arts, Entertainment, & Rec.	\$165,237,216	\$34,525,472	\$62,209,756	\$261,972,444
Agriculture, Forestry, Fishing & Hunting	\$26,395,548	\$86,708,880	\$25,129,062	\$138,233,490
Utilities	\$6,121,516	\$64,273,236	\$54,174,572	\$124,569,324
Educational Svcs.	\$2,665,802	\$3,178,855	\$43,348,408	\$49,193,065
Mining	\$10,878,840	\$1,061,800	\$320,329	\$12,260,969
<b>Total</b>	<b>\$8,245,049,263</b>	<b>\$4,007,022,395</b>	<b>\$3,482,595,693</b>	<b>\$15,734,667,351</b>

Sacramento Regional Research Institute, April 2007

Data Source: IMPLAN, 2003 Coefficients based on SACOG Preferred Alternative employment figures within SIA.

Note: Differences due to rounding.

## Sunset Industrial Area Employer Survey

### Methodology

Company surveys can provide insightful, first-hand information on trends, expectations, and overall satisfaction of an area's business climate. In order to obtain such information, SRRI conducted a survey of firms within Placer County's SIA. SRRI inquired about company expectations of growth, in terms of product/service demand, employment, and square footage, as well as business characteristics, such as customer base, supplier location, and number of years in SIA. Major objectives of this survey include evaluating companies' satisfaction in conducting business in SIA; factors affecting their satisfaction in the business environment; company impressions of Placer County government's efforts in promoting business; factors that affect their satisfaction in the County's promotional efforts; and any desired improvements for the local business climate. Additionally, SRRI inquired about any infrastructure concerns and interest in participating in a business association. A listing of the survey questions is provided in Appendix C.

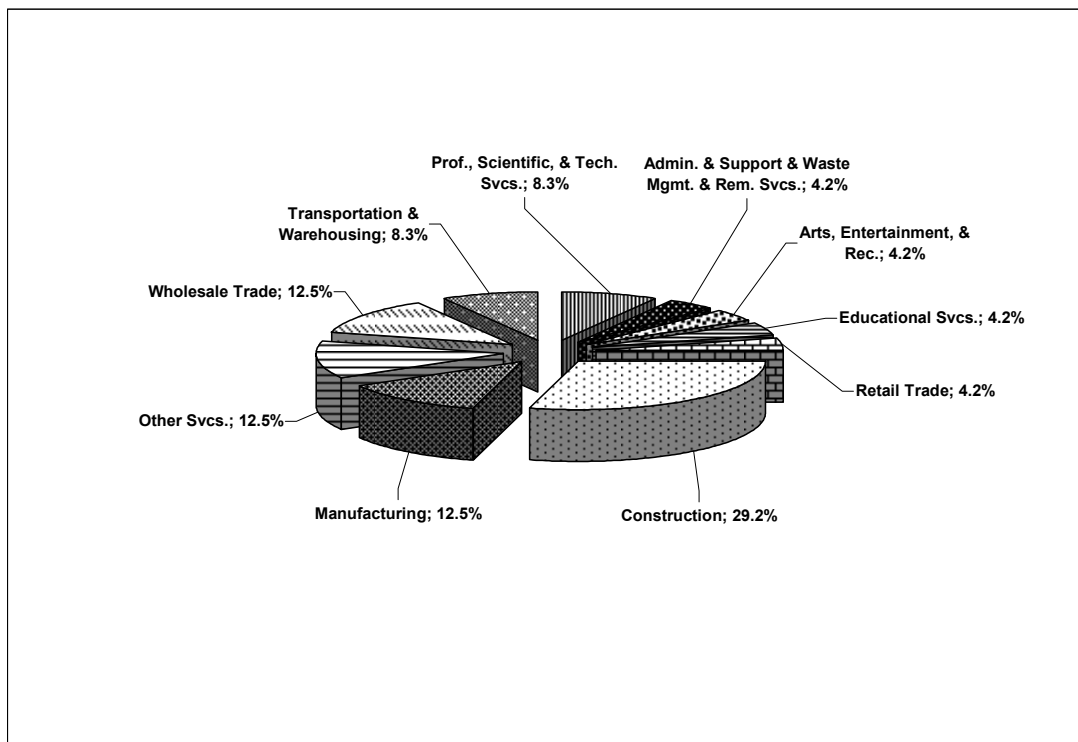
SRRI created a survey contact list of 134 businesses within SIA by validating data from Claritas BusinessPoint with various company databases. In an effort to achieve the highest rate of participation, SRRI offered three options whereby a company could provide an input for the study. The first and most common way was a phone interview; however, as an alternative, and generally at the request of the survey recipients, the questionnaire was sent and returned via facsimile.

During January and February of 2007, SRRI attempted to contact all 134 companies located within the SIA, yielding a response rate of 18 percent, or 24 businesses. Thirty-six companies (27 percent) declined survey participation and 74 companies (55 percent) did not respond after multiple attempts. The interviews were generally conducted with local business owners, managers, or public relations employees.

### Major Characteristics of Survey Participants

Figure 23 shows the industry composition of companies that responded to the survey with the Construction sector representing the largest proportion of survey responses (29 percent). Other sectors with a large percentage of respondents were Manufacturing; Other Services; and Wholesale Trade, each with about 13 percent of the responses. The participant composition by industry is a fairly representative list of the sectors that account for the majority of businesses currently within SIA.

FIGURE 23  
PARTICIPANT COMPOSITION BY INDUSTRY



Sacramento Regional Research Institute, April 2007  
Data Source: SRRRI SIA Business Survey

The company size of survey respondents ranged from about two employees to around 2,000 employees. SRRRI categorized business size in the following manner: small businesses range from one to nine employees, medium businesses from 10 to 99 employees, and large businesses having 100 or more employees. The median size of the responding businesses was 12 employees and the mean size was just over 25 employees (mean based on the removal one business whose size made it an outlier). Medium-sized businesses make up the largest proportion of responding businesses (52 percent), followed by small firms with 39 percent, and large firms with 9 percent.

Almost three-quarters of the businesses surveyed (71 percent) first established their business outside the SIA then relocated, with 88 percent of those relocations coming from other areas within the Sacramento Region and 12 percent from company headquarter expansion projects initiated outside the Region. The average length of time responding firms have been located in SIA is slightly under eight years with the longest period being 28 years. For firms which have moved to SIA, the average number of years they have been located there is approximately seven years. For firms that started up in SIA, the average number of years of operation is 11 years.

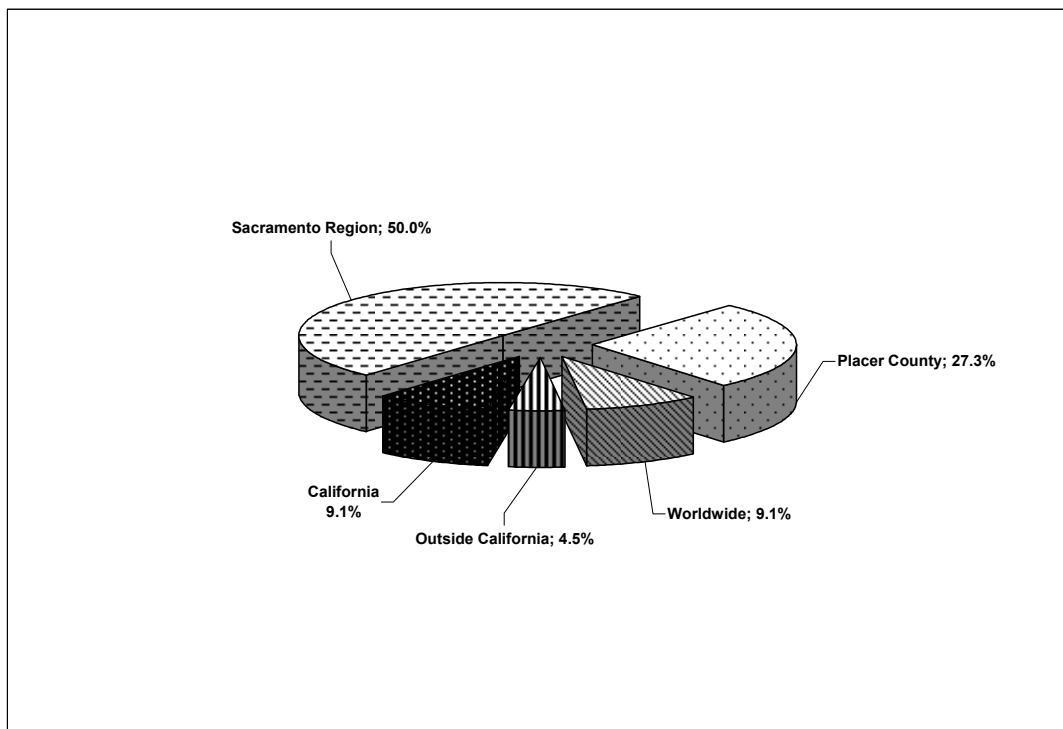
There was much variation in the reasons cited why firms located to SIA; however, with 53 percent of responses, the most cited reason was that they needed a larger facility and land within SIA met their needs. Other reasons for firms choosing to locate to SIA were:

better location (24 percent), less government controls (12 percent), and needed new location due to lost lease (12 percent).

Survey recipients also were questioned whether they owned or leased the building they occupied in SIA. The survey results were split with 50 percent of businesses owning and 50 percent of businesses leasing—a reasonable mix of ownership as businesses which own their location are more likely to stay longer term, while businesses which lease tend to move more frequently.

Figure 24 breaks down the location of the responding businesses' customer base. This analysis helps to determine what proportion of respondents are serving customers outside Placer County and the Sacramento Region—a key aspect in economic development as such companies serve as the economic base generating new wealth for the County and Region. The primary customer base for all responding businesses is the Sacramento Region (50 percent). Placer County accounted for 27 percent of the customer base leaving 9 percent each for California and worldwide and almost 5 percent for outside California (within U.S.). These results show that over 77 percent of respondents' customers are contained within the Region, leaving about 23 percent of businesses bringing in new wealth, primarily within the Construction; Manufacturing; and Wholesale Trade sectors.

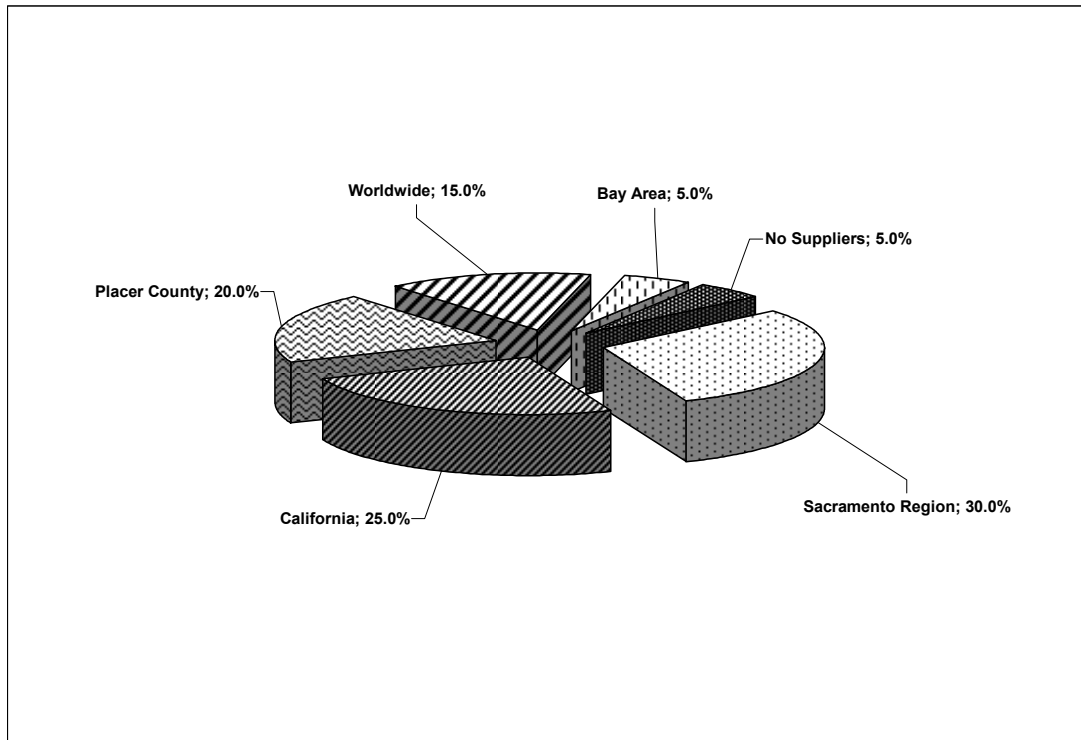
FIGURE 24  
PRIMARY CUSTOMER BASE



Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

Figure 25 gives a breakdown of the location of the respondents' major suppliers. Half of the suppliers are located within the Sacramento Region, with twenty percent of those located in Placer County. Twenty-five percent of respondents stated that their major suppliers were located in California, 15 percent stated worldwide, and 5 percent stated the Bay Area, while 5 percent of respondents did not have suppliers.

FIGURE 25  
LOCATION OF MAJOR SUPPLIERS



Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

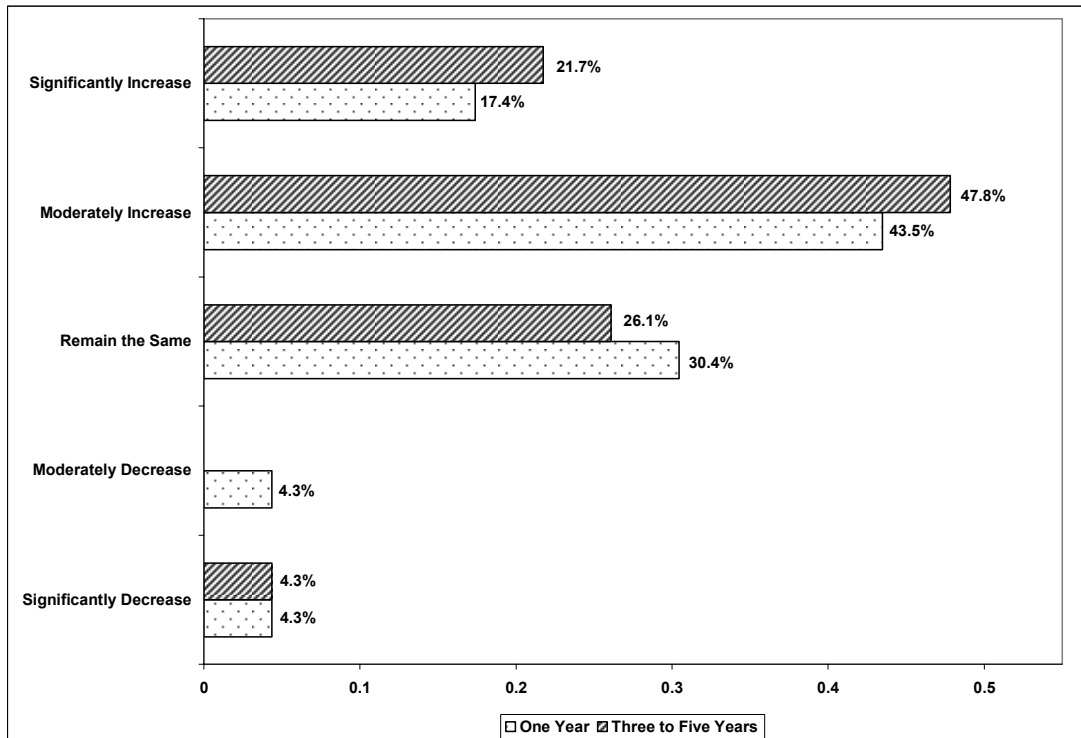


## Future Business Growth Expectations

### Product and Service Demand Expectations

Survey respondents were asked to rank their expected demand for their products and services for the short-term (over the next year) and longer-term (between 3 and 5 years) from “Significantly Decrease” through “Significantly Increase”. The results, shown in Figure 26, demonstrate that almost 61 percent of responding companies expect to see positive growth for their products and services in the next 12 months, with over 17 percent of them anticipating significant increases. Respondents from the Construction and Manufacturing sectors account for the largest proportion foreseeing some increase in products and/or services. The growth trend is expected to continue in the longer-term with the majority of respondents, almost 70 percent, expecting product/service demand to increase in the next three to five years. A small percentage of companies, almost 9 percent, expect to see a decrease in product/service demand over the next year; however, over the next three to five years, only about 4 percent of companies expect a decrease in demand. One interesting point to note is the majority of small companies and all large companies anticipate positive growth over both time periods, while only about 40 percent of medium-sized businesses expect positive growth.

FIGURE 26  
EXPECTED PRODUCT/SERVICE DEMAND GROWTH

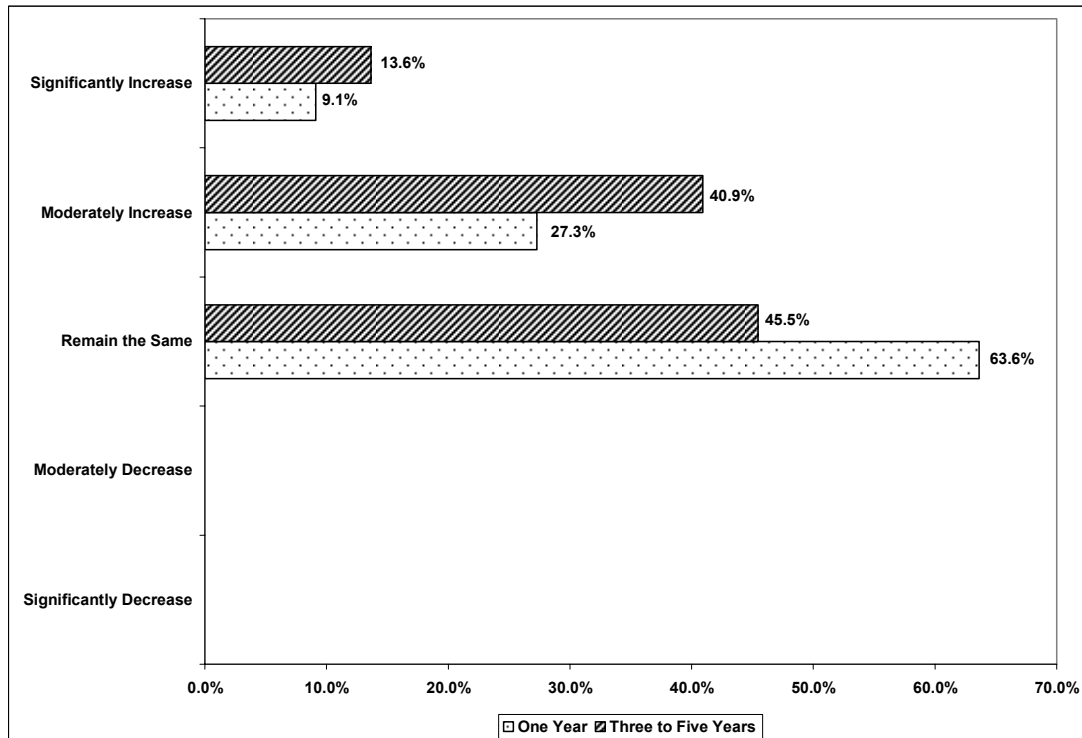


Sacramento Regional Research Institute, April 2007  
Data Source: SRRRI SIA Business Survey

### Employment Growth Expectations

Figure 27 shows survey respondents' expectations in employment growth over the next year and three to five years. None of the responding companies anticipate decreases in employment in either time period. Most respondents expect employment size to remain the same over these time periods—about 64 percent over the next 12 months and nearly 46 percent over the next three to five years. Over the next year, approximately 27 percent of the companies expect a moderate increase in employment with the Construction sector accounting for the largest proportion of industries expecting an increase. Expectations of employment increases are higher in the three- to five-year time period with around 41 percent of respondents anticipating moderate increases and nearly 14 percent anticipating significant increases. Further analysis of responses shows that it appears that neither the size of the firm nor the length of time in SIA have any effect on respondents' expectations of employment growth.

FIGURE 27  
EXPECTED GROWTH IN EMPLOYMENT SIZE

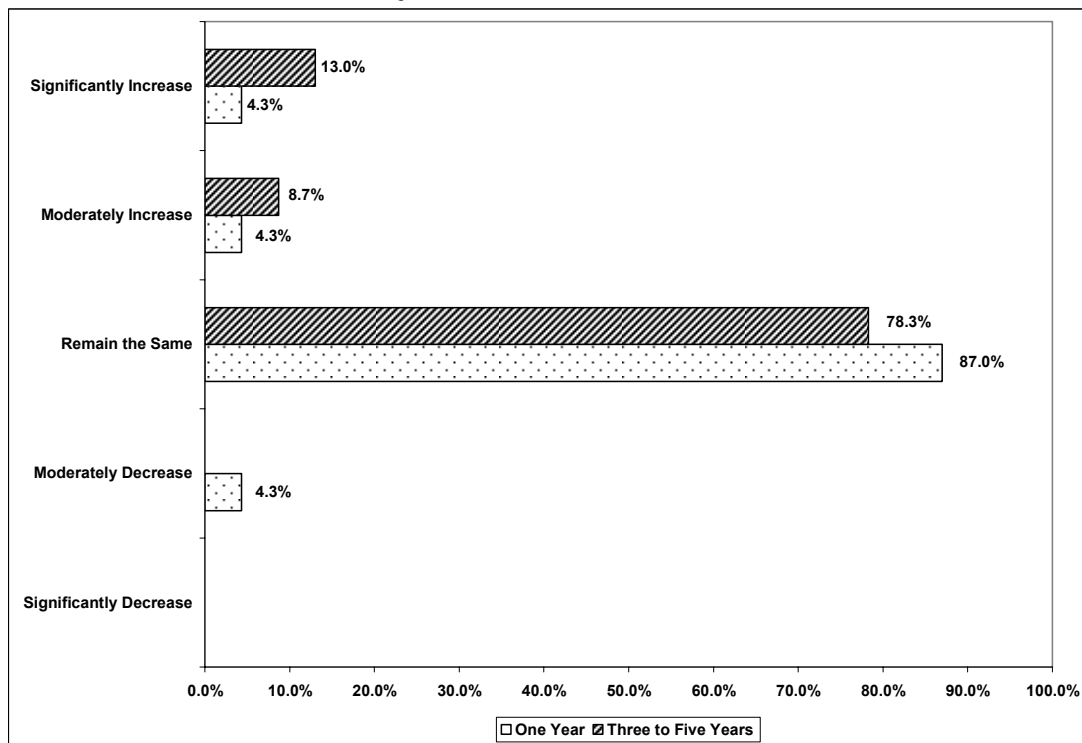


Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

### Square Footage Growth Expectations

SRRI requested respondents to rank their expectations of growth in their firms' square footage over the next year and the next three to five years. As shown in Figure 28, most respondents, 87 percent, expect no change in square footage in the next year, but in the longer-term period, this figure slightly decreases to around 78 percent. In the next year, few respondents, almost 9 percent, foresee an increase in square footage, while around 4 percent of firms expect a decrease in square footage. In the three- to five-year period, however, around 22 percent of respondents expect an increase and no firms expect a decrease in square footage. Responding sectors anticipating an increase in the longer-term period include those in Construction; Manufacturing; Other Services; Transportation & Warehousing; and Arts, Entertainment, and Recreation. Broken down by company size, all large firms expect to have an increase in square footage while almost all small-sized firms (88 percent) and medium-sized firms (83 percent) expect to have no change in square footage.

FIGURE 28  
EXPECTED GROWTH IN SQUARE FOOTAGE



Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

### **SIA Business Association**

To gauge interest of businesses joining an SIA business association, SRRI asked each respondent if they were interested in attending a preliminary meeting in the spring of 2007. Fifty percent of the respondents were interested in participating in the first

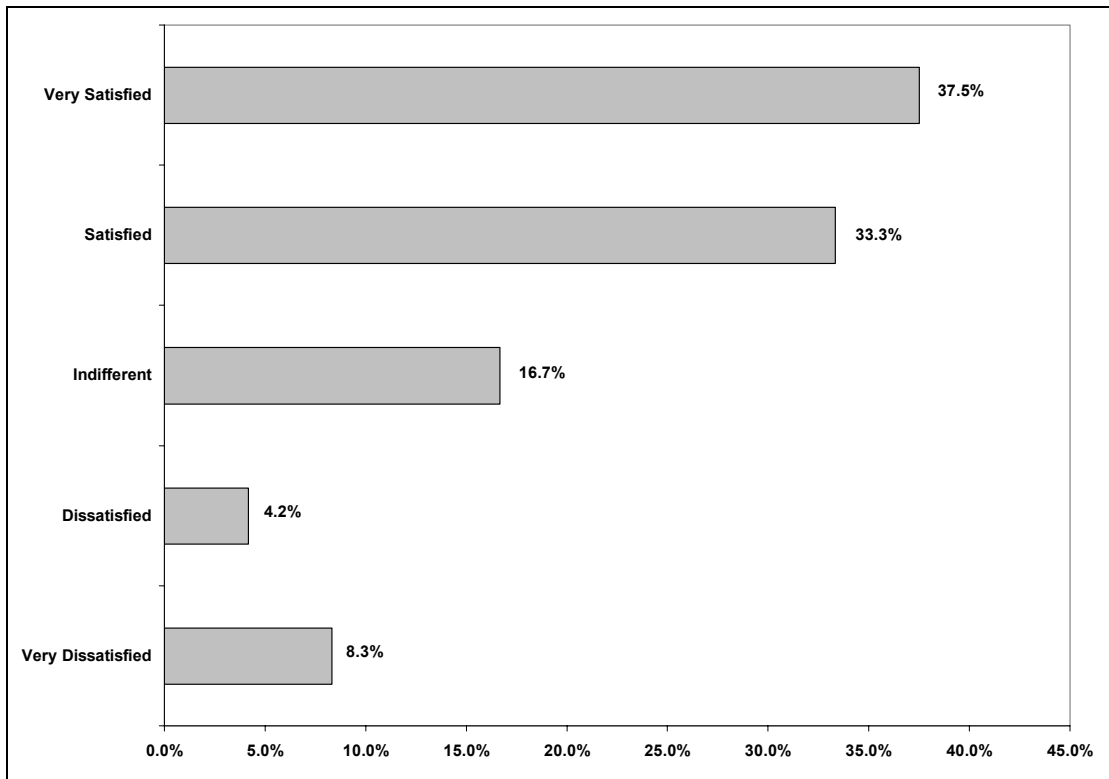
meeting, while the remaining 50 percent were either uninterested (38 percent) or interested in obtaining more information about the business association before the meeting (12 percent). These results show that there appears to be strong interest in such an association, however there is a desire for further meeting details prior to some respondents committing to the event.

### Level of Satisfaction with SIA Business Environment and Promotion

A major objective of this survey was to gain insight in SIA companies' overall satisfaction in doing business in Placer County. SRRI inquired on related topics to determine respondents' satisfaction in SIA's business environment and the County's role in promoting business in the area. Factors affecting these decisions were tracked as well as any suggested recommendations.

SRRI asked respondents to rate the general business environment in SIA by using a scale from "Very Satisfied" to "Very Dissatisfied". As shown in Figure 29, the majority of firms were satisfied with SIA's business environment, with a satisfaction rate of almost 71 percent. Almost 17 percent of survey respondents were indifferent to the business environment, while around 13 percent felt some level of dissatisfaction.

FIGURE 29  
SATISFACTION OF BUSINESS ENVIRONMENT



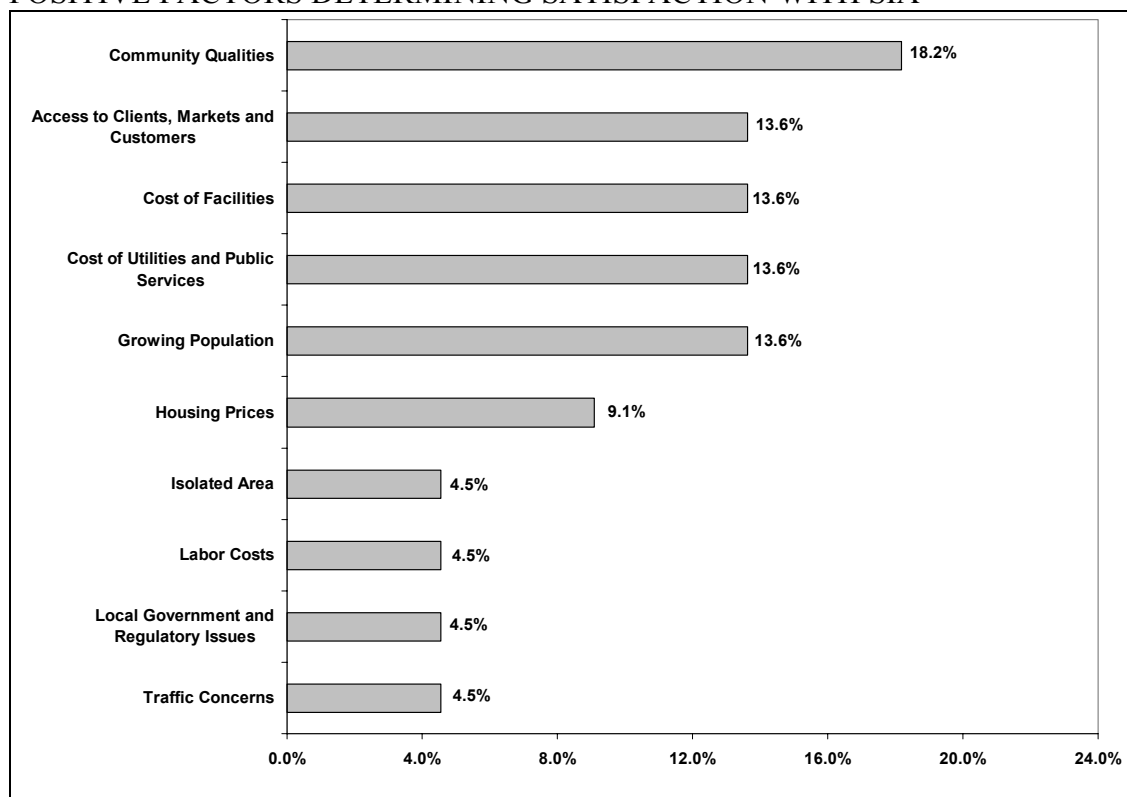
Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

## EMPLOYER SURVEY

In order for SRRI to further evaluate the SIA's business environment, firms were asked to give specific reasons as to what affected their level of satisfaction (both positive and negative factors). Figure 30 shows the breakdown of the most noted positive factors that were given. The most common response, with over 18 percent of the total, is community qualities where many companies felt that the surrounding community had a very positive impact on their business.

Access to clients and markets, cost of utilities, cost of facilities, and the growing population each accounted for almost 14 percent of the positive factors that affect level of satisfaction. Industries that provide services to customers in the local area generally cited population growth as their main factor affecting level of satisfaction. Generally, factors that drew these companies to SIA include lower costs than surrounding areas, as well as the availability of land to accommodate their growing firm's needs.

FIGURE 30  
POSITIVE FACTORS DETERMINING SATISFACTION WITH SIA

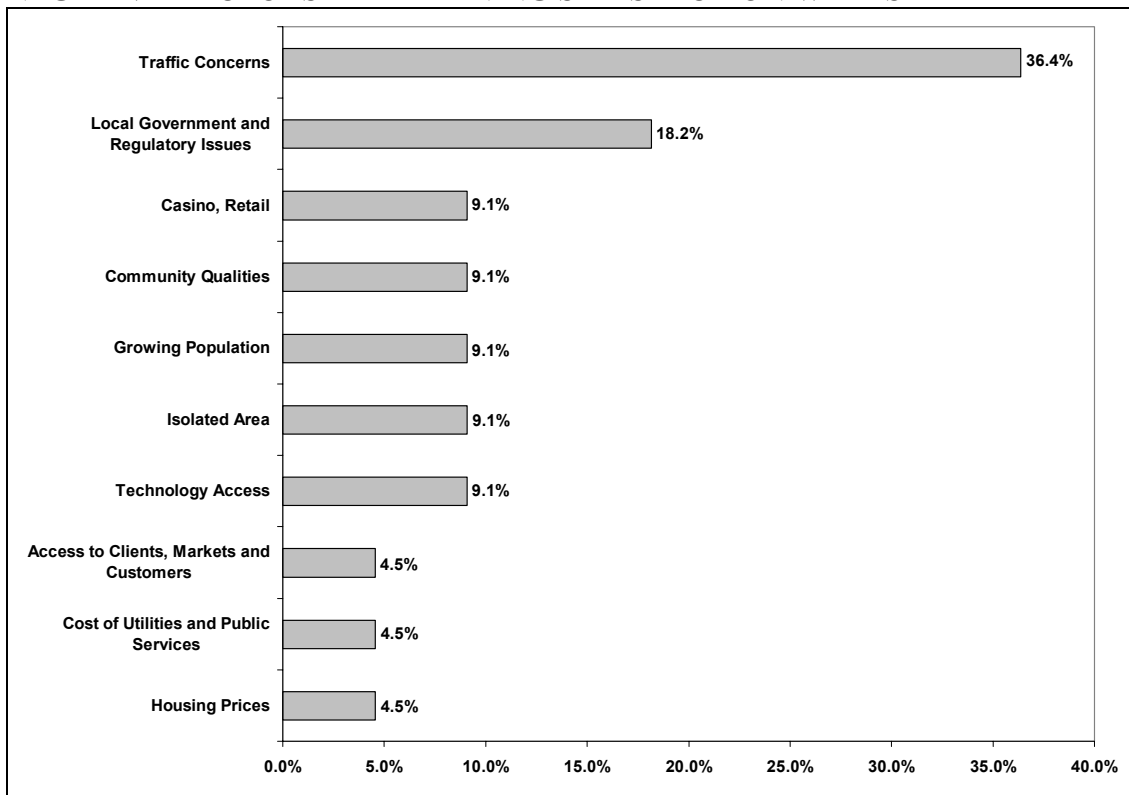


Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

Figure 31 shows the negative factors that businesses feel lower their satisfaction with SIA as a place to do business. The most commonly mentioned negative factors are traffic concerns (over 36 percent) and government and regulatory issues (around 18 percent). Specifics on traffic concerns will be discussed in more detail in the Infrastructure Concerns section of this analysis. Comments regarding regulatory issues arose from firms that require daily customer interaction. These respondents are frustrated that

posting signage along Highway 65 is not allowed and they feel that, due to this, customers have increased difficulties in locating their businesses. The permit process is another factor that negatively affects survey respondents' level of satisfaction with SIA as a place to conduct business. Respondents have had difficulties with the number of existing government regulations for new projects and coordinating with the various government agencies from which approval must be sought. Other cited negative factors affecting satisfaction with the business environment include some that were also highly-cited positive factors. Most of these negative factors include concern of the potential increased traffic and crime due to the casino located in the area, community qualities, growing population, isolated area, and technology access, each with an approximate 9 percent response rate.

FIGURE 31  
NEGATIVE FACTORS DETERMINING SATISFACTION WITH SIA



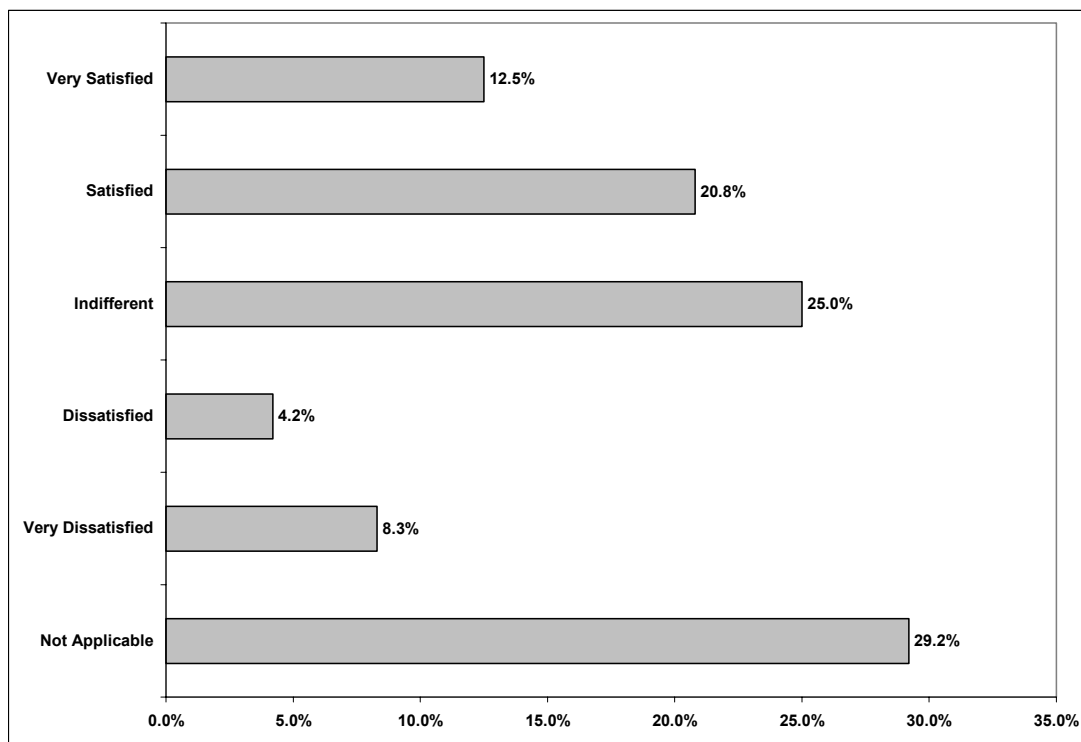
Sacramento Regional Research Institute, April 2007

Data Source: SRRI SIA Business Survey

## EMPLOYER SURVEY

Companies can typically benefit from an increase in business activity in their area. To gauge the effectiveness of Placer County government's efforts in promoting business growth, SRRI asked respondents to rate the County on a scale from "Very Satisfied" to "Very Dissatisfied," presented in Figure 32. Results are rather mixed with a large portion of respondents either being indifferent to (25 percent) or not seeing any promotion from the government (Not Applicable, over 29 percent). Over 33 percent, however, were satisfied with the County's efforts in promoting business, while almost 13 percent were dissatisfied.

FIGURE 32  
SATISFACTION WITH PLACER COUNTY BUSINESS PROMOTION



Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

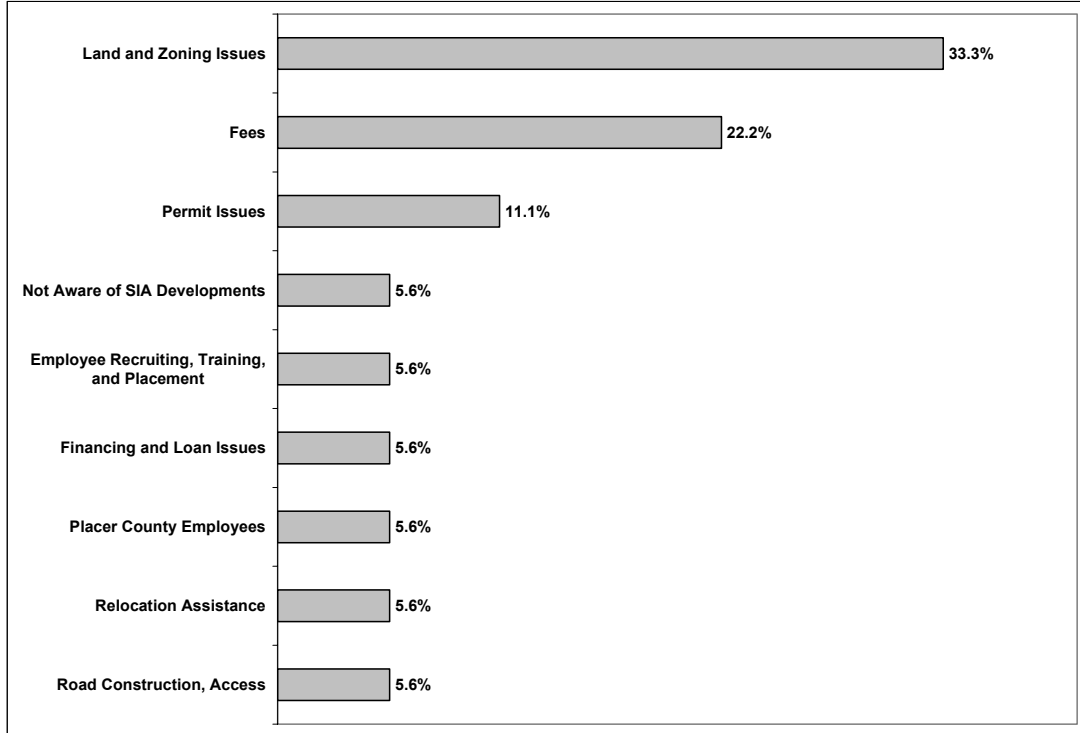
SRRI requested respondents to provide further feedback as to what affects their level of satisfaction with Placer County's business promotion efforts. Generally, respondents that were satisfied with the County's efforts had limited details to offer. From the five responses to this question, results were split among separate factors including positive experience in obtaining permits, satisfied with SIA zoning, appreciated helpfulness of Placer County employees, valued relocation assistance, and pleased with the number of patrols from the Sheriff's Department to ensure their customers' safety.

Figure 33 shows the breakdown of the negative factors that influenced respondents' level of dissatisfaction with Placer County government's efforts at business promotion. Land and Zoning issues (over 33 percent) was the most commonly given reason for dissatisfaction, primarily due to regulations against posting signage along Highway 65.

## EMPLOYER SURVEY

Other commonly stated negative factors were Fees (around 22 percent) and Permitting Issues (about 11 percent). Other responses ranged from lack of knowledge in what is currently developing within SIA, employee recruitment and training, financing issues, negative experience with Placer County employees, limited relocation assistance, and restricted access to business location due to road construction.

FIGURE 33  
NEGATIVE FACTORS IN DETERMINING SATISFACTION WITH PLACER  
COUNTY BUSINESS PROMOTION



Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

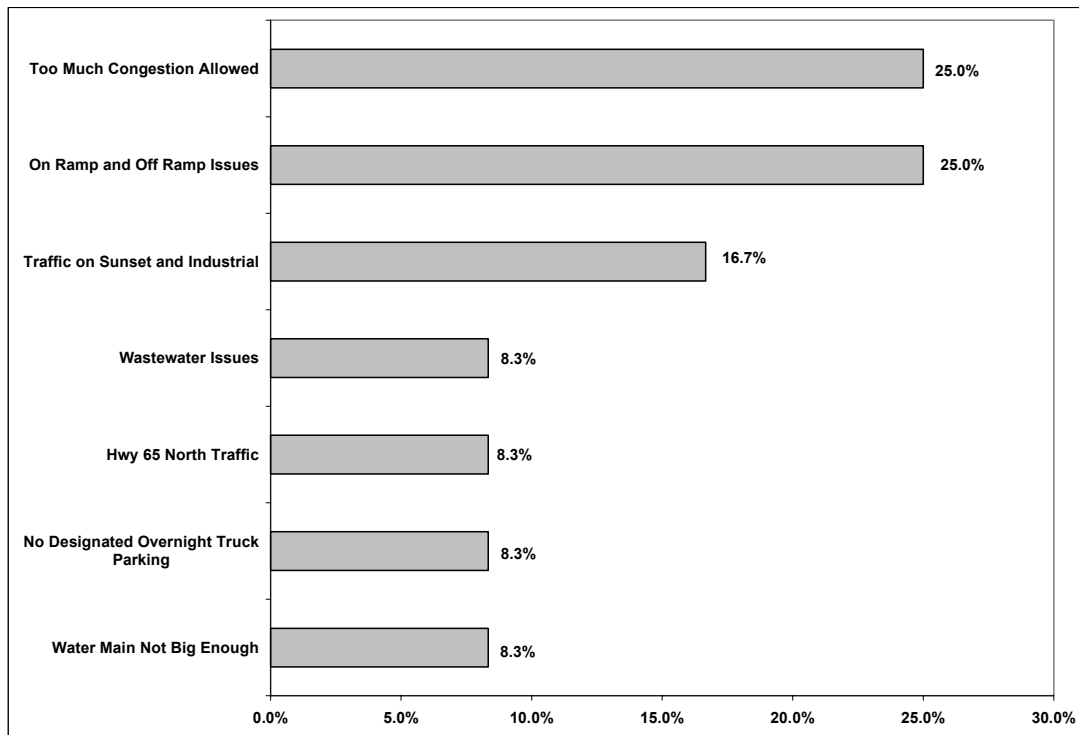


## Infrastructure Concerns

Business growth potential can be limited without proper infrastructure; therefore, it is vital for those involved in an area's economic development to understand businesses' infrastructure requirements. To determine major infrastructure issues faced in SIA, SRRI asked respondents what, if any, specific infrastructure deficiencies need to be addressed in order for them to reach their desired development level. This question was added by the Placer County Office of Economic Development halfway through the survey process; therefore, only about half of the respondents were asked for their feedback on this issue.

As shown in Figure 34, the primary infrastructure concerns from respondents are traffic-related issues. Twenty-five percent of respondents believe the County is allowing too much traffic congestion, 25 percent were concerned about the safety of some of the area's on-ramps and off-ramps, almost 17 percent specifically were troubled by traffic on Sunset Boulevard and Industrial Avenue, and slightly over 8 percent felt Highway 65 congestion into Lincoln would inhibit their development. Other issues mentioned, each with about 8 percent of responses, were wastewater treatment issues with local government; Highway 65 north traffic; semi-truck overnight parking on business' street due to lack of designated parking; and concern that the water main is not big enough to supply all the water to the growing community.

FIGURE 34  
INFRASTRUCTURE CONCERNS



Sacramento Regional Research Institute, April 2007  
Data Source: SRRI SIA Business Survey

## Conclusion

Over 5,000 employees, 16 industry sectors, and 134 establishments are represented in SIA. The largest sectors, by employment size, are Arts, Entertainment & Recreation; Construction; and Wholesale Trade. Sectors with the highest proportion of business establishments include Construction; Wholesale Trade; and Retail Trade.

The SIA not only directly provides jobs and output to Placer County's economy, but additional economic impacts are created through the ripple effect. Examining these combined impacts shows a comprehensive view of SIA's contribution to Placer County's economy. SIA currently contributes a combined total of about 9,000 jobs and nearly \$953 million in output to Placer County's economy when considering its direct, indirect, and induced impacts. The SIA also provides almost \$540 million in total added value and \$300 million in total employee compensation (equating to almost \$34,000 per employee).

Significant increases within SIA are projected through 2050 in either SACOG development scenario (Base Case Scenario or Preferred Alternative Scenario) with potential SIA employment reaching around 49,000 to 51,000 jobs. Should the area grow under 'business-as-usual' development under SACOG's Base Case Scenario, the SIA could potentially contribute total economic impacts (including direct, indirect and induced benefits) of approximately 118,000 jobs and \$18 billion in output to Placer County by 2050. SIA could also contribute over \$8 billion in total added value and \$5 billion in total employee compensation (around \$42,000 per employee).

'Smart growth' development under SACOG's Preferred Alternative Scenario could produce slightly lower total employment levels than Base Case, but still exhibits very high potential growth. Under this growth scenario and considering all economic impacts created through the ripple effect, SIA could contribute a total of around 109,000 jobs and \$16 billion in output to Placer County by 2050. The SIA could also provide almost \$8 billion in total added value and approximately \$4.5 billion in total employee compensation (including benefits), equating to about \$41,000 per employee.

Overall, survey results show SIA business outlook as positive, with the majority of the responding firms forecasting growth in product/service demand and employment. Respondents typically were satisfied with SIA's overall business environment due to community qualities; client access; cost of facilities and utilities; and a growing population. There was not a clear consensus on the satisfaction level of Placer County government's efforts in promoting business growth. However, commonly-cited areas of improvement that would increase respondents' satisfaction with conducting business in SIA and their perception of the local governments' efforts in promoting business growth include: finding ways to accommodate increased traffic on Highway 65 and surrounding major streets; allowing for signage along Highway 65; and streamlining the project approval process.

## CONCLUSION

The following items, developed from the findings of this study, may contribute to fostering growth in Placer County's SIA:

- Sectors that have strong economic development potential within SIA and which should be targeted are those that currently comprise a large proportion of the area and have strong historical and projected growth trends, such as Arts, Entertainment, & Recreation and Construction.
- Additionally, focus economic development efforts on industries that can generate new wealth for Placer County and the Sacramento Region, such as Wholesale Trade and possibly Manufacturing after considering SIA locational advantages to support growth in this sector.
- Sectors such as Professional, Scientific, & Technical Services and Administrative & Support & Waste Management & Remediation Services can be targeted for development in SIA due to their role as linked and supplier industries for the types of companies currently located in the area.
- Strive for improvement and consider recommendations in applicable areas mentioned by survey respondents such as advertising or signage possibilities for SIA businesses along the Highway 65 corridor, infrastructure concerns, and streamlining the project approval process.
- Monitor SIA businesses' satisfaction on an ongoing basis and address concerns as appropriate.
- Develop an SIA marketing campaign and strategy targeted within the Sacramento Region in addition to outside the area to increase the potential for business relocations.
- Tout SIA's locational advantages including its availability of land, strong population growth, and relatively inexpensive facility and utility costs.
- Continue with the plan to form an SIA business association and encourage public involvement through marketing the association's goals and adequately advertising the first scheduled meeting.
- Share the current and potential level of impacts created by SIA to make its importance to Placer County's economy largely recognized and economic development efforts widely supported.

## Appendix A

### Sunset Industrial Area Companies by Industry

#### Mining

- PC Exploration

#### Construction

- American Engineering & Asphalt
- Anderson Roofing Company
- Arrow Fence Company
- Asher Garage Systems
- C & C Construction
- Cal Neva Construction
- Catalyst Construction
- Classic Stone Works
- DRC Builders
- Dynamic Painting Inc.
- Gala Construction
- Galilee Development & Construction
- Hydraulic Technology Inc.
- I & M Construction
- Innovative Pond Products Inc.
- Jackson Construction
- JAD Construction Inc.
- JD Pasquetti Inc.
- Jenson Construction Inc.
- JR Pierce Plumbing Company Inc.
- Kearns Company Builders & Developers
- On Site Concrete Inc.
- Peck Heating & Air Conditioning Inc.
- Peck Plumbing Inc.
- Performance Tile & Stone
- Perryman Painting Inc.
- RAH Construction & Painting
- Rio Bravo-Rocklin
- Roseville Precision Inc.
- Savage Designer Cabinets
- Sierra West Insulation Company
- Thomas L. Asher Company
- West Coast Cabinets Inc.

## **Manufacturing**

- Bastech Engineering Inc.
- Central Wholesale Electric Distributors
- Digital Imaging Super Store
- DocuWare
- EME Technology
- Energy Absorption Systems Inc.
- Friedsland Enterprises
- John Cook Association California Cabinetry
- RADS
- Vita Blend Ltd.

## **Wholesale Trade**

- Ace Hardware Distribution Center
- Aqua Engineering Company
- Architectural Products
- B & R Flora Inc.
- D & D Supply
- Entennmann's Inc.
- EZ-Clone Enterprises Inc.
- Foothill Systems
- Greenheck Fan Company
- John Deere Landscapes
- Kent H. Landsberg Company
- Next Level Warehouse Solutions
- Northern Energy Propane
- Office Warehouse Furnishings
- Pallet Depot Inc.
- Placer Propane Inc.
- Polypros Inc.
- Progress Vanguard
- Quixote Corp.
- Ryder
- Sierra Conveyor Company
- Sierra Pacific Turf Supply
- Sitek Process Solutions
- Upgrade Auto Products
- Western Placer Waste Management Authority

**Retail Trade**

- A & A Concrete Supply
- Backyard Dream
- California Backyard
- Classic Stone Works
- Crown Distributing Company
- Design Select
- Dish Network
- Door & Window Company
- Event Ready
- Hunter Douglas Gallery
- IGT
- Jeld-Wen Windows & Doors
- LC Communications
- Mallard Creek Inc.
- Oak Furniture Warehouse
- Roofing Supply Group Inc.
- Schwan's Sales Enterprises
- Sierra Nursery & Rock

**Transportation and Warehousing**

- Andrews Towing
- Lakeshore Pacific Inc.
- Twenty-Four Hour Recreational Storage
- U.S. Xpress Enterprises Inc.

**Information**

- ATV Video Center
- Integra Communications
- Quality Telecom Consultants Inc.

**Finance and Insurance**

- Capital One Bank
- Esurance Inc.
- Legacy First Financial

### **Real Estate and Rental and Leasing**

- Heritage Real Estate
- Lurie Company
- Northern Video Systems
- Preston R. Properties

### **Professional, Scientific, and Technical Services**

- American RV Service Center
- D'Ambra Equipment & Supply
- Data Tree
- E-Tech Testing Service Inc.
- Golden Eagle Distributing Corp.
- Industrial Safety & Supply
- Quantum Event Services
- Restoration Resources
- Tatara Interior Designs
- Teichert Construction

### **Administrative and Support and Waste Management and Remediation Services**

- C & R Landscape
- EFI Global
- Inviro-Tec
- Waste Connections
- Western Regional Landfill

### **Educational Services**

- American Powerhouse T & T
- Power Cheer

### **Arts, Entertainment, and Recreation**

- EXP
- NorCal Sports Complexes Inc.
- Thunder Valley Casino

**Accommodation and Food Services**

- Fatburger
- Gordito Burrito Inc.
- Panda Express
- Starbucks
- Villa Pizza

**Other Services**

- Amazing Facts
- Bridgeway Christian Church
- Creekside Evangelical Free Church
- Excelchem
- Performance Auto Repair
- R & S Auto Repair
- St. Augustine of Canterbury Episcopal Church

**Public Administration**

- Northern California Power Agency Combustion Turbine



## Appendix B NAICS Definitions

**Agriculture, Forestry, Fishing and Hunting**—includes establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish.

**Mining**—contains mine operation establishments that extract naturally occurring mineral solids and gases and establishments that support mining activities such as exploration or other mining services.

**Utilities**—consists of establishments that provide utility services such as electricity, natural gas, water supply, steam supply, and sewage removal.

**Construction**—includes establishments that construct buildings or engineering projects (such as highways or utility systems) as well as those that prepare sites for new construction.

**Manufacturing**—comprises establishments commonly known as plants, factories, or mills and engage in transforming materials into new products using mechanical, physical, or chemical processes.

**Wholesale Trade**—consists of establishments that sell merchandise that are outputs of agriculture, mining, manufacturing, and some information industries to other businesses.

**Retail Trade**—comprises establishments that sell merchandise to the general public as store (point-of-sale locations) and non-store (i.e. catalogs, “infomercial” broadcasting, etc.) retailers.

**Transportation and Warehousing**—contains businesses that provide passenger or cargo transportation, warehousing and storage of goods, and support activities for air, rail, water, road, and pipeline modes of transportation.

**Information**—includes establishments primarily engaged in the publishing industries; the motion picture and sound recording industries; the broadcasting industries; the telecommunications industries; the industries known as Internet service providers and web search portals, data processing industries, and the information services industries.

**Finance and Insurance**—comprises establishments primarily engaged in financial transactions that involve the creation, liquidation, or change in ownership of financial assets and/or facilitation of financial transactions.

**Real Estate and Rental and Leasing**—includes businesses that rent, lease or provide other related services allowing the use of tangible (i.e. real estate and equipment) or intangible assets (i.e. patents and trademarks).

**Professional, Scientific, and Technical Services**—includes establishments that perform professional, scientific, and technical activities for clients and households. Some examples of services these establishments provide include legal representation; accounting; architectural, engineering; computer; consulting; research; advertising; photographic; translation; and veterinary services.

**Management of Companies and Enterprises**—comprises establishments that control an interest and/or manages a business by undertaking the company's or the enterprise's strategic or organizational planning role. These establishments may hold the securities of the company or enterprise.

**Administrative and Support and Waste Management and Remediation Services**—contains establishments that perform support activities for the day-to-day operations of other organizations including office administration; personnel placement; document preparation; collection; cleaning; and waste disposal services.

**Educational Services**—includes specialized establishments, such as schools, colleges, universities, and training centers, which provide instruction and training in a variety of subjects. (Note: QCEW categorizes public universities under the Educational Services sector, but EDD projections categorize them under Public Administration.)

**Health and Social Services**—includes establishments such as medical, health care, and social assistance providers.

**Arts, Entertainment, and Recreation**—includes establishments that operate facilities or provide services for a variety of patrons' interests such as live performances, events, or exhibits; preservation or exhibition of objects; and/or patron participation in recreational activities or other amusement. (Note: QCEW categorizes Indian casinos under the Arts, Entertainment, and Recreation sector, but EDD projections categorize them under Public Administration.)

**Accommodation and Food Services**—includes establishments which provide customers lodging and/or prepare meals, snacks, and beverages for immediate consumption.

**Other Services**—contains a variety of businesses which provide services that are not elsewhere classified such as equipment repairing; religious activities; grantmaking; advocacy; drycleaning; personal care; death care; and photofinishing.

**Public Administration**—comprises federal, state, and local government agencies establishments that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These establishments oversee governmental programs and activities that are not performed by private establishments.

## Appendix C—Listing of Survey Questions

### 1. How do you expect the demand for your company's products and services to change over the next...

#### Twelve months?

- ☐ Significantly Increase
- ☐ Moderately Increase
- ☐ Remain the Same
- ☐ Moderately Decrease
- ☐ Significantly Decrease

#### Three to five years?

- ☐ Significantly Increase
- ☐ Moderately Increase
- ☐ Remain the Same
- ☐ Moderately Decrease
- ☐ Significantly Decrease

### 2. How do you expect the number of employees at your company to change over the next...

#### Twelve months?

- ☐ Significantly Increase
- ☐ Moderately Increase
- ☐ Remain the Same
- ☐ Moderately Decrease
- ☐ Significantly Decrease

#### Three to five years?

- ☐ Significantly Increase
- ☐ Moderately Increase
- ☐ Remain the Same
- ☐ Moderately Decrease
- ☐ Significantly Decrease

### 3. How do you expect the square footage of your firm to change over the next...

#### Twelve months?

- ☐ Significantly Increase
- ☐ Moderately Increase
- ☐ Remain the Same
- ☐ Moderately Decrease
- ☐ Significantly Decrease

#### Three to five years?

- ☐ Significantly Increase
- ☐ Moderately Increase
- ☐ Remain the Same
- ☐ Moderately Decrease
- ☐ Significantly Decrease

### 4. On a scale of 1 through 5 how would you rate your satisfaction with the Sunset Industrial Area as a place to do business?

- ☐ 5 Very Satisfied
- ☐ 4 Satisfied
- ☐ 3 Indifferent
- ☐ 2 Not Satisfied
- ☐ 1 Very Dissatisfied

## APPENDIX C—LISTING OF SURVEY QUESTIONS

- 5. What factors affect your level of satisfaction with the Sunset Industrial Area? (Rent, technology access, housing prices, labor costs, transportation, fees, permits, etc.)**

Factor	Positive or Negative?

- 6. On a scale of 1 through 5 how satisfied are you with the Placer County government's involvement in promoting business growth? (For example: Permitting, economic development, other services, etc.)**

- ☐ 5 Very Satisfied
- ☐ 4 Satisfied
- ☐ 3 Indifferent
- ☐ 2 Not Satisfied
- ☐ 1 Very Dissatisfied

## APPENDIX C—LISTING OF SURVEY QUESTIONS

- 7. What factors affect your level of satisfaction with Placer County’s business promotion? (Fees, permitting, zoning, financing loans, job training reimbursements, expansion/ relocation assistance, etc.)**

<b>Factors</b>	<b>Positive or Negative?</b>

- 8. What could be done to improve your business outlook and/or the general business climate for your area? Please check all that apply**

- ☐ Gateway Signage and Identity
- ☐ Public Transit
- ☐ Parking
- ☐ Street Maintenance
- ☐ Landscaping and Lighting
- ☐ Beautification and Cleanup
- ☐ Façade Program
- ☐ Energy Efficiency Programs / Rebates
- ☐ Financial Assistance / Funding
- ☐ Job Development / Training
- ☐ Safety and Security
- ☐ Government Procurement Opportunities
- ☐ Other \_\_\_\_\_

## APPENDIX C—LISTING OF SURVEY QUESTIONS

- 9. Is there any specific infrastructure deficiency that needs to be addressed in order for desired development to be able to go forward?**

Factors

- 10. In the Spring of 2007, Placer County will host a preliminary meeting to explore the formation of a business association for the Sunset Industrial Area. Would you have an interest in participating or getting involved in this community organization? (Remember all company identifying information will be kept confidential.)**

☐ Yes

☐ No

- 11. Where are the majority of your customers located?**

- ☐ Placer County
- ☐ Sacramento Region (El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties)
- ☐ Bay Area
- ☐ Other California locations
- ☐ States outside of California
- ☐ Outside of the United States

- 12. Where are the majority of your suppliers located?**

- ☐ Placer County
- ☐ Sacramento Region (El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties)
- ☐ Bay Area
- ☐ Other California locations
- ☐ States outside of California
- ☐ Outside of the United States

APPENDIX C—LISTING OF SURVEY QUESTIONS

**13. How long has your company been located in the Sunset Industrial Area?** \_\_\_\_\_

**14. Did your firm start up in, or move to, the Sunset Industrial Area?**

☐ Start Up      ☐ Moved To      (If “Moved To” please answer 14b and 14c)

**14b. Where did your firm move from?** \_\_\_\_\_

**14c. Why did you move to the Sunset Industrial Area?**

**15. Do you own or lease?**

☐ Own

☐ Lease

**16. What is the current number of employees at your company?** \_\_\_\_\_

**17. May we contact you again if we have any further questions?**

☐ Yes

☐ No

**18. Would you like a copy of the final study? Please note that company identifying information will be kept confidential**

☐ Yes

☐ No

**Email address** \_\_\_\_\_